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West Europe Report



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27 February 1984

WEST EUROPE REPORT

CONTENTS

POLITICAL

CYPRUS

- Democratic Rally Leader's Letter to Kyprianou
(I SIMERINI, 14 Dec 83)..... 1

DENMARK

- Folketing Members From Greenland, Faeroes May Play Key
Role
(BERLINGSKE TIDENDE, various dates; INFORMATION,
12 Jan 84)..... 6

Three Representatives Backing Schluter,
by Michael Ehrenreich
New Faeroese Party Supports Independence,
by Michael Ehrenreich
Pro-Danish Greenland Party Lost Voters
Atassut Representative Abandons SDP
by Tine Eiby Hansen
Atassut's Otto Steenholdt Comments,
by Tine Eiby Hansen
Paper on Significance of Islands' Seats, Editorial

DENMARK/GREENLAND

- Island's Government Attacks Copenhagen Policy-Making
(Michael Ehrenreich; BERLINGSKE TIDENDE, 15 Jan 83).. 14
- Minister for Greenland Affairs Rejects Godthaab Charges
(Michael Ehrenreich; BERLINGSKE TIDENDE, 16 Jan 84).. 17

FINLAND

Orthodox Communist Party Organ on Koivisto and Press (Editorial; TIEDONANTAJA, 4 Jan 84).....	19
Communist Party Press Dispute Heats Up (Anneli Sundberg; SUOMEN KUVALEHTI, 10 Jan 84).....	20

GREECE

Credibility of Failing PASOK Foreign Policy (Rikhardos Someritis; I KATHIMERINI, 25-26 Dec 83)....	24
KKE Euro-Election Program (I KATHIMERINI, 25-26 Dec 83).....	26
DSP Leader Stresses Importance of Euro-Elections (I KATHIMERINI, 22 Dec 83).....	27
Papandreou Charged With Attacks on Press (I KATHIMERINI, 21 Dec 83).....	29
Autocratic Trends, Need for Reform Seen in Politics (I KATHIMERINI, 18-19 Dec 83).....	32
ND 'Rebel Movement' Effort To Oust Averof (Giannis Roumbatis; TO VIMA TIS KYRIAKIS, 25 Dec 83)..	37
Analysis of KNE Organization, Goals (Kostas Skandalidis; EXORMISI TIS KYRIAKIS, 23-25 Dec 83).....	40

ICELAND

Socialist Party Undergoing Leadership Problems (MORGUNBLADID, 7, 19 Jan 84).....	45
---	----

Chairman Denies Resignation Rumors
Party Losing Support in Opposition

MILITARY

FRANCE

Naval COS Leenhardt on Future Equipment, Research (Yves Leenhardt; LA NOUVELLE REVUE MARITIME, Dec 83).....	48
---	----

Alcatel Develops Antisubmarine Warfare Hydrophone (Vincent Chuffart; TAM, Jan 84).....	63
GREECE	
Briefs	
Budget Defense Provisions	66
NETHERLANDS	
New Combat Uniform Being Developed (H. F. van Loon; DE TELEGRAAF, 14 Jan 84).....	67
NORWAY	
Poll Finds Support for NATO Remaining Stable (AFTENPOSTEN, 2 Feb 84).....	70
Tadkom Mobile Communications System Introduces New Technology (AFTENPOSTEN, 25 Jan 84).....	72
Commanders for Northern Forces Warn of Budget Cut Effects (Pal Nordenborg; ARBEIDERBLADET, 20 Jan 84).....	74
Problem of Retaining Officers Increasing (Liv Hegna; AFTENPOSTEN, 1 Feb 84).....	79
Comprehensive Study of Effect of War on Computer Networks (Tore Ness; AFTENPOSTEN, 3 Feb 84).....	81
ECONOMIC	
EUROPEAN AFFAIRS	
Belgium, Luxembourg Reach Steel Accord (NEUE ZUERCHER ZEITUNG, 14 Jan 84).....	83
CYPRUS	
Economic Structure, Problems of Northern Cyprus (NEUE ZUERCHER ZEITUNG, 9 Feb 84).....	85
Figures on Merchant Fleet, Transportation Sector (KHARAVGI, 14 Dec 83).....	89
DENMARK/GREENLAND	
Briefs	
EC Financial Aid Detailed	90

FEDERAL REPUBLIC OF GERMANY

- Positions Harden on Demand for Shorter Work Week
(Various sources, various dates)..... 91

DGB Prestige at Stake, by Michael Jungblut
Metalworkers Court Union Solidarity
SPD Assures Support
No DGB Split Foreseen
Alternatives Found in Practice, by Hugo Mueller-Vogg

GREECE

- Economics Minister Optimistic for 1984
(I KATHIMERINI, 30 Dec 83)..... 99

ITALY

- Government-Labor-Management Accord: Results, Prospects
(Anna Avitabile; RASSEGNA SINDACALE, 2 Dec 83)..... 102
- Government Plans for Bailing Out Montedison in Piedmont
(Tullio Fazzolari; L'ESPRESSO, 25 Dec 83)..... 106

ENERGY

DENMARK

- Concern Mounts Regarding Economic Feasibility of Gas
Project
(AKTUELT, 14 Jan 84; BERLINGSKE TIDENDE,
18, 21 Jan 84)..... 109

State Monopoly's New Chairman Comments,
by Nina Hansen, Vagn Petersen
New Leadership Considering Exports, Editorial
Minister Weighing Another State Firm,
by Dan Axel
Report Recommends Actions To Rescue Project, Editorial

DENMARK/GREENLAND

- Environmental Concerns Result in Delay of Drilling Start
(Peter Kjelstrup; BERLINGSKE TIDENDE, 8 Jan 84)..... 116

FRANCE

Electric Power Consumption Figures for 1983 (AFP-Sciences, No 385, 5 Jan 84).....	118
--	-----

ITALY

SNAMPROGETTI Develops High Contact Coal Slurry Technology (STAFETTA QUOTIDIANA PETROLIFERA, 3 Oct 83).....	120
---	-----

DEMOCRATIC RALLY LEADER'S LETTER TO KYPRIANOU

Nicosia I SIMERINI in Greek 14 Dec 83 p 11

[Text] The entire text of Mr. Kliridis' open letter to Mr. Kyprianou is as follows:

"I thought it opportune to address the present open letter to you, not to answer yesterday's announcement which was issued by the government spokesman under your directive, but in order to fully inform the Greek Cypriots, whose intelligence your government contemptuously appears to underestimate.

"My speech at the Provincial Conference at the Paphos Democratic Rally was not intended to create political tension. My life and policy demonstrate that I have never been a supporter of political tensions and crises. The sole purpose of my speech was to inform Greek Cypriots about the erroneous policy that you are following in our critical national issue, the painful consequences of which it will sooner or later be asked to pay."

Errors

"However, before I speak publicly, may I remind you that I repeatedly pointed out to you in private the errors of your policy in the hope that you would correct them. Unfortunately, though, instead of readjusting your policy to base it on logic and the national interest, you continued to commit the same errors, which, however, with the passage of time, create more tragic and painful consequences for Greek Cypriots. Moreover, you tried to exploit the time allotted you for small-time politics and partisan purposes.

"However, the Greek Cypriots, who always generously give of themselves in national struggles, deserve better treatment and have the right to be informed promptly, fully and accurately in order to be aware of where they are being led and to exert all the necessary pressure or to make the best political choices which will allow them to survive, physically and ethnically, on the land of their fathers. For this reason, I consider it my patriotic duty to submit your policy to severe public scrutiny, as you have left me no other alternative."

The "State"

"I now call to your attention, Mr. President, your errors which I pointed out to you in private:

"Your first tremendous error was that you did not properly evaluate the danger of the proclamation of the 'Independent Turkish Cypriot State.' In fact, you seriously underestimated this danger.

"You claim, of course, that I recognized the danger, and this you could not avoid admitting because I had even made public statements, but that I did not suggest any means to prevent it. This is what the government spokesman, who does not tell the truth though, claims because you either did not inform him or you willfully distorted the facts.

"May I remind you, Mr. President, of the proposals, which I submitted to you to avert the proclamation of the 'Independent Turkish Cypriot State,' when I previously emphasized to you that it would be easier to avert rather than to reverse the proclamation:

"First proposal: I advised you to request calling a meeting in Athens with the participation of the premier of Greece, the president of Cyprus and the leaders of the Cypriot parties in the House of Representatives to study and evaluate the situation accurately and to decide on the measures to take to avert the declaration.

"You reacted to this proposal with the groundless and anti-national argument that such a move would weaken the identity of the Cypriot State at a time when its further strengthening was necessary.

"Second proposal: I advised you to accept for discussion the Cuellar points because it would have been far more difficult for Denktas to proceed immediately in making the proclamation after our acceptance, even if he had rejected them. I pointed out to you that the acceptance of the points for discussion did not necessarily mean that we would reach a solution.

"Your reply was that I overestimated the danger of the proclamation and you told me that both your evaluation, as well as that of the Greek government, was that the danger of an immediate proclamation did not exist. As a matter of fact, you publicly accused me, through the government spokesman, of being an alarmist.

"Third proposal: I advised you to propose, as a preventive measure, a joint step by the guarantor forces, Greece and Britain, towards Turkey and to send a copy of the measure to the Secretary General and the Security Council of the United Nations. This joint step would be in the form of a warning and denunciation of the Turkish intentions.

"You thanked me for this constructive proposal, as you characterized it, on which, as a matter of fact, you took written notes.

"Finally, I submitted other proposals, which, as I had mentioned to you, should have been taken up at the Athens meeting. I do not wish to reveal them publicly, but I can say that their objective would have been not to create the impression abroad that an eventual proclamation on our part would bring about the repetition of our favorite tactic of recourses and the collection of resolutions.

"All of my proposals above were intended to avert the proclamation of the 'Independent Turkish Cypriot State.' I reveal them to the Greek Cypriots so they can judge their seriousness and effectiveness in view of the fact that you did not wish or did not consider them worthy.

The Confrontation

"However, Mr. President, you continued, after the proclamation of the 'Independent Turkish Cypriot State,' to ignore, or not to be able to consider worthy, the evaluations and proposals which I had submitted to you in private and whose aim was, this time, to oppose the declaration. And, when I repeated them publicly, you claimed, through the government spokesman, that I contributed to the relaxing of the international pressures aimed at the withdrawal of the declaration.

"In my Paphos speech I pointed out that there are no indications that Turkey or Denktas is going to withdraw the declaration. And I repeated Mr. Papandreou's statement that, if a practical aspect is not given to the international condemnation, it will not bring about any results because Turkey does not take into consideration the rhetorical condemnations and denunciations, which do not affect her substantially. I had noted that the above-mentioned observation by Mr. Papandreou is correct; however, you did not accuse him of helping to relax international pressures on Turkey.

"But Turkey has already stated that she is not about to withdraw the recognition of the 'Independent Turkish Cypriot State.'

"In my Paphos speech I also pointed out, Mr. President, that until now not a single country, Western, Eastern or Nonaligned, has broken, nor are there indications that it will break, diplomatic, commercial, cultural, alliance or any other relations with Turkey or that it will take any other concrete steps to pressure Turkey. Turkey knows this.

"I also pointed out that since 1974 to date there are piles of resolutions in the United Nations which call on the Security Council to take effective measures against Turkey for not abiding by the United Nations' resolutions. Naturally, Turkey knows this, but continues to ignore the resolutions as no effective measure has been taken by the Security Council against her.

"I also pointed out that the United States and most of its allies are opposed to an embargo against Turkey and, therefore, no one should expect the Security Council of the United Nations, from which we will request the imposition of sanctions against Turkey, will impose any sanctions whatsoever. And Turkey knows this.

Multi-Faceted Policy

"Mr. President, I stated to you in private, but I also pointed out publicly, that, in order to face up to the new dangerous situation which has developed, it is not sufficient to base our policy on the probability of the withdrawal of the declaration alone. Our policy must be multi-faceted.

"You claimed that the consideration of separate methods for confronting the situation would weaken the effort to withdraw the declaration! Such a position can only be proposed by the naive or only by those who cannot conceive separate ways of reacting or by those who, afraid to assume responsibilities, want to appear to be inflexible combatants in a struggle which consists, however, of empty slogans and words.

"I ask you, Mr. President, if the Turks will not withdraw the declaration and nobody takes the initiative in finding a solution to our national problem--which is the most probable development--what is your policy going to be? Even if we assume that someone will take the initiative and will propose to us frameworks or plans, which, in all probability, will not be different from those proposed in the past, what is your policy going to be? Will you continue to take recourse in the United Nations for the annual resolutions which have not solved, nor are about to solve, our problem? Will you continue to proclaim to the people that you will not subscribe to solutions, which do not cover this or that, the moment your signature is no longer needed since the gradual recognition of the pseudo-state will have divided the island into North and South and we will confine ourselves to repeating the prevailing slogan, 'It will be ours once again in due time'?

Approval of the Appropriation

"Mr. President, you claim that 'there is planning, there is study and evaluation of all data and the actions imposed by circumstances have been taken!'

"But I have asked you repeatedly in closed meetings if there were studies or plans to cope with the eventuality of a non-withdrawal of the declaration and you answered me that the recourse to the General Assembly and the Security Council is being studied... And when I pointed out that these are not effective measures and asked you whether any other steps were being studied, you answered that you would ask the House of Representatives for the approval of an appropriation to support our briefing expedition abroad!

"You ask me, Mr. President, how I propose to cope with the situation."

Proposals

"I reply: We propose a meeting of the premier of Greece with the president of Cyprus and the leaders of the Cypriot parties in the House of Representatives to study, in depth and from all angles, the situation that has resulted and to decide on appropriate, practical measures. Because, if the policy that you are presently following continues for any length of time, it will lead not to the liberation of the occupied lands, but to the conquest of all of Cyprus.

"The issue of prestige and the allegations that a conference in Athens, as I propose it, will undermine the identity of the Cypriot state should be set aside. Because, if the conference does not take place, you, of course, will continue to struggle from the international podiums and obtain 'notable' victories; however, in the end, it will be the Greek Cypriots who will be those who are soundly defeated.

"Reflect, at least, on the recent Islamic Conference, where 43 countries, most of them nonaligned, which, without condemning the proclamation of the pseudo-state and without demanding its withdrawal, approved a resolution which calls on us to have a dialogue with the Turkish Cypriots on equal terms. They resolved this despite the fact that most of these countries had participated in the Assembly of the United Nations, which had unanimously condemned the proclamation and had emphasized the need for its withdrawal!

"Mr. President, come down to earth and notice that the various countries determine their policy not necessarily on the basis of the principles of law, but according to their own interests.

"Glavkos Kliridis
President of the Democratic Rally
Nicosia, 13 December 1983"

9731
CSO: 3521/127

FOLKETING MEMBERS FROM GREENLAND, FAEROES MAY PLAY KEY ROLE

Three Representatives Backing Schluter

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 84 p 7

[Article by Michael Ehrenreich]

[Text] The tangled political situation after the election has created new interest in the four North Atlantic seats in parliament. The surprising election results on the Faeroe Islands and the internal political situation in Greenland have changed the relationship between these seats and the two political blocs in parliament.

If negotiations next week between Greenlandic member of parliament Otto Steenholdt and the Conservative, Liberal, and Christian Democratic Parties have a favorable outcome, then the government will have the support of three of the four North Atlantic seats from Greenland and the Faeroes. The non-socialist government can already count on support in critical votes from the newly elected Faeroese member of parliament Oli Breckmann of the People's Party [a conservative, pro-independence party] and Pauli Ellefsen of the Union Party [a moderate liberal, pro-Denmark party].

Steenholdt Mistreated By Social Democrats

"At present, I plan to abstain from voting on the budget, but I could perhaps vote in favor of it if it were presented by parties with which I felt I could cooperate," Otto Steenholdt told BERLINGSKE TIDENDE yesterday as he packed his bags for Copenhagen at the hotel Gronland in Godthaab.

Otto Steenholdt of the Atassut Party [centerist party favoring close ties to Denmark] makes no secret of the fact that he felt mistreated by the Social Democrats during the election campaign. Otto Steenholdt told Greenland's Radio that party secretary Ejnar Hovgaard Christiansen called on the voters to support Steenholdt's opponent in the Siumut Party [moderate leftist party favoring greater local autonomy].

"I will now speak with Anker Jorgensen about my position in the parliamentary group, but I do not want to play second fiddle if some other party is willing to provide greater benefits to Greenland," Otto Steenholdt said.

The 47 year old teacher has had technical cooperation with the Social Democrats. He has had the status of an observer in their parliamentary group since he was elected to parliament for the first time in 1977.

Siumut Seeking Acceptance

But there are domestic Greenlandic reasons for Otto Steenholdt's deliberations. The other major Greenlandic party, the Siumut Party, has applied for membership in the Socialist International. If its application is approved, then the Siumut representative in parliament, Preben Lange, probably will begin collaborating with the Social Democrats.

Since his election to parliament in 1979, the 35 year old teacher Preben Lange has worked with the SF (Socialist People's Party) parliamentary group.

On the Faeroe Islands, one seat was surprisingly lost by the Social Democrats to the People's Party, which elected the 35 year old editor Oli Breckmann for the first time.

He has already announced that the nonsocialist government in Denmark would have no difficulty gaining his support.

Proxy

The government also can count on support from Johannes Martin Olsen of the Union Party who will serve as a proxy for Faeroese Prime Minister Pauli Ellefsen, as he did during the previous session of parliament.

The Union Party cooperates with the Liberal Party in Denmark and, since his election to parliament in 1977, chartered accountant Pauli Ellefsen has been a member of the Liberal Party group in parliament.

New Faeroese Party Supports Independence

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jan 84 p 7

[Article by Michael Ehrenreich]

[Text] A conservative foundation and moderate self-rule with respect to Denmark characterize the People's Party, which is not readily classified in the right-left spectrum generally used to describe political parties.

On all basic social issues, the People's Party is similar to the Conservative Party here in Denmark--but there also is an added dimension that is highly significant in the political picture of the Faeroe Islands: its position toward Denmark.

Party spokesmen say that the People's Party wants total independence for the Faeroe Islands. The People's Party differs in this respect from the other

nonsocialist party, the Union Party, and the Social Democratic Party, both of which are in favor of the present home-rule arrangement.

But the People's Party does not want total independence here and now. According to the People's Party, the degree of self-government should increase as an independent Faeroese economy develops, so that the islands will be able to stand on their own.

The People's Party differs in this respect from the Independence Party [A moderate liberal home rule party] and the Republic Party [an extreme, populist socialist secession party] which, to various degrees, want independence for the Faeroe Islands as soon as possible.

The People's Party does not seek full independence out of any animosity toward Denmark or Danish activities on the Faeroes. The principle of total independence results from the party's belief in individualism which clashes with Danish sovereignty over the islands, despite good relations between Copenhagen and Thorshavn, according to People's Party spokesmen.

The People's Party, or Folkaflokkurin as it is called on the Faeroes, was founded in 1940 with businessmen, farmers, and former Independence Party members as its driving forces.

Increasing prosperity following the war gave the party new impetus. It filled the void between the old Social Democratic and Union Parties and the radical and leftist breakaway parties.

Today, the People's Party holds a key position in Faeroese politics. Since 1980 the party has participated in a coalition government with the Union Party and the Independence Party. The conservative People's Party, with two out of five cabinet ministers, has considerable influence in such vital areas as fishing, navigation, healthcare, the judicial system, and public works. These areas are divided between cabinet members Anfirnn Kallsberg and Páll Vang.

The party participates in the coalition on the strength of its six seats out of 32 in parliament. In addition, People's Party chairman Jogvan Sundstein is the chairman of parliament and also represents the Faeroe Islands at the Nordic Council.

Pro-Danish Greenland Party Lost Voters

Copenhagen INFORMATION in Danish 12 Jan 84 p 3

[Article: "Otto Steenholdt and Preben Lange Reelected in Greenland"]

[Text] There were no changes in Greenland's representation in parliament. The ruling Siumut Party and the opposition Atassut Party received approximately the same number of votes, as expected, and neither of the two parties' other candidates could defeat the present representatives, even though both parties were hoping for a change.

This means that both Preben Lange (Siumut) and Otto Steenholdt (Atassut) will serve another term. They have served in parliament since 1979 and 1977, respectively.

Siumut Advanced

Atassut received the greatest number of votes, despite a 4.6-percent decline compared to the 1981 parliamentary elections to 42 percent, while Siumut advanced by 5.3 percent to 41.3 percent of the vote. The small left-wing party Inuit Ataatigitiit [Marxist-Leninist party favoring total independence from Denmark] advanced by a modest 0.5 percent to 13.2 percent of the vote.

As in the rest of the empire, the percentage of voters increased: 64.3 percent, which represents a 2.8 percent rise.

Many Personal Votes

The election's biggest vote-getter, as before, was Otto Steenholdt who received 5,840 personal votes, which is more than half of his party's total of 9,232 votes. But this is a sharp drop compared to the previous elections, in which he personally received more votes than all the Siumut Party candidates together.

This is due in part to the party's overall decline and in part to the fact that party leader Lars Chemnitz, who was running for parliament for the first time, cut into Otto Steenholdt's votes and received 2,786 personal votes.

Siumut's Preben Lange, whom certain party circles would like to see replaced, was seriously threatened by the chairman of the Greenland Workers' Union (SIK), Jens Lybert, who received 3,918 personal votes, compared to Preben Lange's 4,325 votes.

Inuit Ataatigitiit chairman Arqaluk Lynge, who campaigned from a hospital bed after being attacked by a disappointed fellow party member who had failed to gain enough support to run for office, received almost all his party's votes: 2,245 out of 2,912.

There were just over 34,000 eligible voters in Greenland and just under 22,000 of them voted.

Not all of them were able to vote, however, since an extremely violent storm (a so-called Piteraq) made voting totally impossible in the little village of Isortoq on the east coast. The storm simply forced the 81 voters to remain indoors and the polling place was never opened.

Chemnitz Out Of Politics

The chairman of Greenland's largest party (Atassut), Lars Chemnitz, made the surprise announcement on a televised question-and-answer show that he was leaving politics.

"I believe that Atassut needs some new blood," the 59 year old party chairman said. He stressed that his decision was not the result of disappointment over the election returns, which for his party were 5 percentage points lower than in the 1981 elections.

In addition, Lars Chemnitz was surprisingly defeated by fellow party member Otto Steenholdt.

"I have decided that this is the last time I am running--not just for parliament, but for any office," he said. "I have neglected my family for many years and, for this reason, I must retire for personal reasons."

In April 1983 Lars Chemnitz received more votes than any other candidate in the landsting elections. He was a cofounder of Atassut and was chairman of Greenland's provincial council from 1971 to 1979.

Atassut Representative Abandons SDP

Copenhagen BERLINGSKE TIDENDE in Danish 19 Jan 84 p 2

[Article by Tine Eiby Hansen]

[Text] "We do not need another parliamentary election now and I will do everything I can to prevent it," said Otto Steenholdt, who is the Greenlandic opposition party Atassut's representative in parliament. On Wednesday Atassut ended its working agreement with the Danish Social Democratic Party in favor of cooperation with the ruling coalition.

This means that in critical political situations the government will have an extra vote at its disposal. But Otto Steenholdt would not say whether or not he would support the government in the upcoming budget vote.

In the new arrangement with the coalition parties, Otto Steenholdt already has a good committee position in mind. There are strong indications that Otto Steenholdt will receive the permanent position on the market committee that he has been seeking. In any event, he admits that he is quite satisfied with the offer he has been given.

According to Otto Steenholdt, the shift from left to right in parliament is due primarily to the fact that the governing party in Greenland, the Siumut Party, has now left SF and affiliated itself with the Social Democrats.

Otto Steenholdt does not believe there would be room for both parties with the Social Democrats.

"But my party feels most at home with the right in parliament," said Otto Steenholdt, who personally would have preferred to continue working with the Social Democrats.

Atassut's Otto Steenholdt Comments

Copenhagen BERLINGSKE TIDENDE in Danish 20 Jan 84 p 6

[Article by Tine Eiby Hansen]

[Text] Seven years of cooperation in parliament between the Atassut Party of Greenland and the Social Democrats came to an end yesterday when the Atassut representative in parliament, Otto Steenholdt, announced that he would now begin working with the coalition government.

This could mean that the ruling parties will now have an extra vote at their disposal. More detailed negotiations with the government are expected. Otto Steenholdt and party Lars Chemnitz stressed that the cooperation would involve only a common election strategy with the coalition parties.

Nevertheless, in negotiations with the government parties on an election alliance, they also have made political demands. One such demand is for improved conditions for independent businessmen in Greenland in the form of export support and price subsidies. In Greenland, the term independent businessmen refers primarily to fishermen, hunters, and sheep farmers.

Atassut's break with the Social Democrats was blamed primarily on the fact that Greenland's opposition party, Siumut, now has affiliated itself with the Social Democrats as a fraternal party. Thus, the Siumut representative in parliament, Preben Lange, will now be included in the Social Democratic parliamentary group.

"As a result, we will inevitably end up second, behind Siumut. We have already seen examples of this," said Lars Chemnitz. He pointed to LO (Federation of Trade Unions) support for Siumut during the most recent landsting elections.

Political Choice

But neither Siumut nor the Social Democrats doubt that Atassut's decision was purely political. Both sides expressed a feeling of relief that Atassut had made a decision.

"Today Atassut has revealed its true colors and aligned itself with the right in parliament. This means that a clear line has been drawn both in Greenland and here in Denmark between Atassut and Siumut," said Social Democratic Party secretary Ejnar Hovgaard Christiansen.

Preben Lange of the Siumut Party continued:

"I am happy that Atassut has finally chosen sides. Previously, Atassut disguised itself by working with the Social Democrats. In Greenland, however, we have always understood Atassut's true political position."

Party Chairman Lars Chemnitz described Atassut as a party that ranged from the Danish Social Democrats to the Conservatives on the political spectrum.

Paper on Significance of Islands' Seats

Copenhagen BERLINGSKE TIDENDE in Danish 16 Jan 84 p 9

[Editorial: "North Atlantic Seats"]

[Text] Some Social Democrats have been alarmed by the slight possibility that the government may achieve a majority if three of the four so-called North Atlantic seats are occupied by government supporters. It is surprising to see Social Democrats objecting to this possible outcome of the extremely close election.

First of all, it is surprising because the Social Democrats themselves have a tradition of utilizing these seats. Twice within the past 25 years the balance in parliament has been such that the Greenlandic votes have tipped the scale in parliament. Both times this was done in favor of a Social Democratic government.

Secondly, however, it is surprising that in the present situation the Social Democrats seem unwilling to follow the spirit of the 1953 constitution. The constitution is based on the community of the entire empire with popular representation in Copenhagen. Several parties on the Faeroe Islands have acted as sister parties to the Danish parties. There is a Social Democratic Party on the Faeroes and there is a Union Party that has close ties with the Liberal Party in Denmark. For decades the politicians elected to parliament by these two parties have joined the Danish party groups and usually have participated on an equal footing within these groups.

The Social Democrats' irritation over the possible results of the latest parliamentary elections must actually be irritation over the fact that for the first time in many years no Social Democrat was elected on the Faeroes. But this circumstance must not cause that party to doubt that those who were elected have the right to participate in the overall work of parliament. They were elected with every right to carry out their parliamentary functions, just like their colleagues from the Danish mainland.

The party structure in Greenland has been somewhat different. As a result, the relationship of Greenlandic representatives to the Danish parties in parliament has varied somewhat. In recent years, SF and the Social Democrats have had more or less close ties with the two Greenlandic members of parliament. The uncertainty that has arisen around Otto Steenholdt's continued cooperation with the Social Democrats is a new twist, but it cannot and should not be used

as an excuse to cast doubt on Steenholdt's right to change camps and the new camp's right to count on his vote.

Denmark's relations with Greenland and the Faeroes are complicated enough already. They should not now be burdened by the Social Democrats' disappointment over their lack of success in the North Atlantic in the recent elections.

9336

CSO: 3613/82

ISLAND'S GOVERNMENT ATTACKS COPENHAGEN POLICY-MAKING

Copenhagen BERLINGSKE TIDENDE in Danish 15 Jan 84 p 8

[Article by Michael Ehrenreich]

[Text] The Greenlandic government has called on the Danish government to stop arguing through the mass media over the establishment of permanent economic consultations to improve the Greenlandic government's ability to control and plan the Greenlandic economy.

"The Greenlandic Affairs Ministry is setting the stage for confrontation that is harmful to the unity of the kingdom when it unilaterally and on extremely short notice makes economic decisions that have a serious impact on Greenlandic society. This practice makes it almost impossible for the Greenlandic government to plan and control the economy of Greenland."

This was stated to BERLINGSKE TIDENDE by Moses Olsen, the Greenlandic cabinet member who is responsible for economic affairs.

"Between 1 January 1983 and 1 January 1984 Denmark increased trans-Atlantic freight rates by no less than 37.6 percent. Of this figure, 18.3 percent resulted from rate increases on 1 January 1984 alone, even though the budget provided for increases of only 5 percent for the entire year of 1984."

"For Greenland, this is an extremely drastic change in the economic conditions of our society," Moses Olsen said.

"Transport costs for trans-Atlantic freight have a general impact on all imported goods from liver pate to construction materials, but despite this fact the 5-percent increase provided in the budget was tripled during the final days of December. If the Danish government had to work under such conditions, I do not know how it would manage the Danish economy," said the Greenlandic "economy minister."

"The state is totally dominant in the Greenlandic economy."

"Out of every krone, the Danish state actually controls 60 to 70 ore, while our Greenlandic government can influence only the remaining 30 to 40 ore."

"This is why we place such strong emphasis on well regulated agreements with

the state, the Danish government, and the Greenlandic Affairs Ministry."

Last fall the Greenlandic government signed an agreement with SIK (Greenland Workers' Union) and the municipal governments, in which the Greenlandic government pledged to do everything within its power to hold prices down in Greenland.

But now it is extremely difficult if not impossible, because this agreement was reached on the basis of the 5-percent figure in the Danish budget. Obviously, the sudden changes in transport costs affect real wages, as estimated at the time the agreement was reached," Moses Olsen said.

"Of course, we know that mainland Denmark also is affected by budget cuts and rate increases, but Greenland has no reason to be ashamed of the austerity measures it already has implemented. In addition to the antiinflationary agreements we signed with the Greenlandic Affairs Ministry in 1983, for the first time in the history of the home-rule government we agreed to cuts in block grants alone of 32.8 million kroner. The total cuts in funds earmarked for Greenland amounted to 95 million kroner."

"The block grant cuts during 1984 alone represent a sum of 95 million kroner out of a total of 661 million kroner. This corresponds to a 15-percent saving by Greenland, so I believe it is fair to say that we understand the economic situation in the Kingdom of Denmark and that we have done our share. This is in addition to the increased freight rates."

Business Acumen

Oil, gas, and electricity rates also were increased on 1 January. But the Greenlandic government believed that the reasons for these increases were insufficiently documented and proposed negotiations between the Greenlandic Affairs Ministry and the Greenlandic government's representatives in Denmark before the price hikes took effect.

"According to our calculations, 80 to 90 percent of our oil needs for 1984 were already on hand when the price rises went into effect. In addition, negotiations between the Danish state and the Greenlandic oil company usually are not concluded before spring. As a result, we failed to understand the need for increasing oil prices by 15 ore per liter as of 1 January," Moses Olsen said.

"We do not deny the possibility that oil price rises may be necessary at some point during 1984. But they could have waited until summer or fall. For this reason, we wanted to discuss concrete proposals on 17 December, but on the day before that the Greenlandic affairs minister unilaterally introduced the price rises he had previously announced, without waiting for consultations with the Greenlandic government."

But Greenlandic affairs minister Tom Hoyem says he was forced to increase

prices because the Greenlandic government was unable to come up with an alternate proposal for saving money.

"The Greenlandic affairs minister also said he had lost 65 million kroner on shipping charges. Half that sum resulted from charter contracts signed by KGH (Royal Greenlandic Trading Company) on behalf of the state for trans-Atlantic shipping. But Greenland never has been able to influence these charter contracts. For this reason, we believe that it is politically foolish to let KGH sign some unfavorable contracts--to exercise poor business acumen, to put it in that way--after which they come to us and say:"

"Unfortunately, we were not very smart. Here is the bill for you to pay.' We cannot accept that. If we have to pay, then we must negotiate the conditions and agreements that are reached," Moses Olsen said.

"In recent years, we have seen Denmark introduce a new policy whereby Denmark unilaterally, without consultations, and without providing us with the relevant information, is shifting inconvenient expenses over to Greenland."

Will this situation have long-term consequences on relations between Denmark and Greenland?

"I believe that our home-rule government will live up to the agreements set forth by the home-rule commission and in the Home Rule Law."

"We also will live up to our agreement with the Greenlandic Affairs Ministry of 5 June 1983 on a joint effort against inflation," the Greenlandic cabinet member said.

"For this reason, I will recommend that the Greenlandic government request the following of the Danish government: First of all, that proposed price increases be made available to us at least one quarter before they are to take effect, to facilitate economic planning by the Greenlandic government. Secondly, we want two annual rounds of consultations at the official level between the Greenlandic government and the Greenlandic Affairs Ministry on the economic situation and the outlook for the coming year."

"Moreover, the Danish government should obligate itself to consult with us before making decisions that will have major economic consequences for Greenlandic society. If such relevant procedures can be agreed upon, then we can stop the bickering now being conducted through the mass media."

"Before any decisions are made, both sides would be aware of the consequences. Established procedures would help both sides understand what was happening," Moses Olsen said.

9336

CSO: 3613/87

MINISTER FOR GREENLAND AFFAIRS REJECTS GODTHAAB CHARGES

Copenhagen BERLINGSKE TIDENDE in Danish 16 Jan 84 p 3

[Article by Michael Ehrenreich]

[Text] The Greenlandic affairs minister does not oppose regular consultations between the Greenlandic government and the Greenlandic Affairs Ministry, but Tom Hoyem stressed that he, on behalf of the government, held the ultimate responsibility and authority.

Greenlandic Affairs Minister Tom Hoyem categorically denied all points of criticism by the Greenlandic government, which indicated that Hoyem's actions were reminiscent of the colonial period and that he was making decisions above the head of the home-rule government.

"They are absolutely wrong when they say that, for example, the decision to increase trans-Atlantic freight rates was made over the head of the home-rule government. Before any decision was made, there was a long series of meetings and consultations between the home-rule government and the Greenlandic Affairs Ministry."

"Of course I listened to their arguments, but at a certain point a decision had to be made. Now the Greenlandic government is angry because the decision was not made in its favor," the Greenlandic affairs minister said.

"The decision was discussed beforehand by the entire government and, for this reason, it is inappropriate for Greenland to concentrate its criticism on a particular personality in an attempt to oust the Greenlandic affairs minister."

"The Greenlandic government is socialist and, for the first time in the history of home rule, it must work with a nonsocialist government in Denmark which, as a result of the poor Danish economy, has been forced to administer the Greenlandic budget in the same austere manner as the rest of the budget. With all due respect to the Greenlandic government, I must honestly state that the nonsocialist government and the Greenlandic government simply hold differing political views," Tom Hoyem said.

The Greenlandic affairs minister has nothing against regular consultations between the ministry and the Greenlandic government, but he stressed that the Greenlandic affairs minister, on behalf of the Danish government, held the ultimate responsibility and authority for making decisions.

"On 31 January the Greenlandic government will come to Copenhagen to discuss common problems. This occurs after every session of the Greenlandic parliament. I have nothing against more permanent procedures for consultations. I am happy to discuss matters with them, but in matters of state, the ultimate authority and responsibility are mine," Tom Hoyem said.

Statements made by Greenlandic cabinet minister Moses Olsen to the effect that contracts on new freight rates signed by KGH (Royal Greenlandic Trading Company) were an example of "poor business acumen" were denied by KGH department head Soren Egebjerg.

"The backbone of the Atlantic freighting fleet is formed by the ships chartered from the Lauritsen Shipping Company, which was offered a good price for the sale of its ships last year. As a result, we were forced to renegotiate our charter agreements on short notice and to accept major price hikes for the use of these ships. Just like any other business, we were forced to translate these price rises into increased rates."

Soren Egebjerg believes, however, that the Greenlandic government is wrong in predicting a major impact on prices in Greenland. The rate increases would result in maximum price rises of 2 to 3 percent, according to Egebjerg.

"I certainly believe that we are good businessmen, but I do not know how long we can continue employing good people at KGH at the salary level currently offered by the government," Soren Egebjerg said.

9336

CSO: 3613/87

ORTHODOX COMMUNIST PARTY ORGAN ON KOIVISTO AND PRESS

Helsinki TIEDONANTAJA in Finnish 4 Jan 84 p 2

/Editorial: "The Interview"/

/Text/ In his interview granted to ABO UNDERRATTELSE President Mauno Koivisto came out with the assessment that within the corps of journalists there are opinion leaders whom the others follow like hordes of lemmings to the sea.

The uproar which the interview raised is at least a graphic example of how the press and public discussion are able to follow a politician and a statesman, if he conducts himself in a sufficiently peculiar way. So an opinion leader does not have to be a journalist.

But seriously speaking: the general designation of journalists as a horde of lemmings is off target.

As far as the President's statements and the various interpretations of them presented by the press are concerned, an individual in the position of the president probably cannot always formulate his statements, especially those touching foreign and international policy, as unambiguously as expected. There are also recent examples of how in such cases the newspapers have engaged in speculation tending to confuse the major points of our country's foreign policy in a manner which has not helped, at least, the president's position as leader of foreign policy.

But in many matters it is still reasonable to assume clarity from each and every one so that one does not have to explain. And if required, one also has to explain.

The president also mentioned the so-called Toulouse speech. The problem does not just lie in the fact that in that speech Lenin is not mentioned in connection with Finland's becoming independent. Whoever the speech writer may be, he presented interpretations of Finland's becoming independent and later stages which are not in line with historical facts. If the editor of TIEDONANTAJA and several others take notice of this, then it is no use blaming them for it.

TIEDONANTAJA was otherwise glad to note that at the independence-day reception the president gave a considerably more correct appraisal of our country's becoming independent than the author of the Toulouse speech.

There should be reason to avoid dramatizing the uproar which was raised. The president of the republic is much too responsible an individual for him to be surrounded by--and himself be the object of--continuous public hurly-burly.

COMMUNIST PARTY PRESS DISPUTE HEATS UP

Helsinki SUOMEN UVALEHTI in Finnish 10 Jan 84 pp 10-11

/Article by Anneli Sundberg: "SKP Press Controversy Is Heating Up"/

/Text/ Under the direction of communist leader Jouko Kajanoja the party is being brought together this autumn by various press decisions. Each has become a juicy new bone of contention, which does not promise a great celebration of harmony for the SKP's party congress.

"I haven't taken a firm stand on the matter," says Finnish Communist Party First Secretary Arvo Aalto in answer to the question: does he believe that the new party newspaper, which has started off weakly, will noticeably help increase harmony?

The sample issues of YHTEISTYO, the SKP /Finnish Communist Party/ Central Committee organ, which changed into a weekly paper at the beginning of the year, have not been able to convince even the party's membership that there is promise for interesting news items about party goings-on and world events. Only a couple of thousand communists have, in addition to supporting SKP's former newspapers, bothered to support the new one as well by subscribing to it.

The essential thing, in the opinion of First Secretary Arvo Aalto, is whether the YHTEISTYO newspaper project will lead to the disappearance of the minority's organ TIEDONANTAJA as a newspaper maintaining a separate function. If so, YHTEISTYO has fulfilled its task.

For the time being at least nothing indicates that the discontinuance of TIEDONANTAJA will be brought about as a consequence of the press decision approved by the SKP's Central Committee.

"If it is the will of the leadership of TIEDONANTAJA, then discontinuance will not be brought about," believes First Secretary Aalto but adds that it does not just depend on the TIEDONANTAJA leadership.

What does it depend on then? This is a question Aalto is unwilling to answer.

"I'm not going to discuss individuals."

The SKP's next party congress is barely a half-year away, which certainly has not helped the new party newspaper's initial journey. What also made the rough-flying takeoff difficult is the fact that when the Central Committee made the decision to establish YHTEISTYO, no preparatory measures had been taken, not even a pencil stub had been acquired.

The editor in chief had to start from scratch. In a few months he got fed up with putting out a newspaper from two party offices with a former trade union official who counted himself a member of the excluded minority, and was ready to return to his old job at KANSAN UUTISET.

The paper was to be staffed with six editors, but at the turn of the year there were still two editors. The editors who belonged to the majority considered the project too insecure economically and too risky politically. Chairman Jouko Kajanoja, who was inclined to favor the press decisions, has not received too much support for his line from the party's editorial staff.

Thin Harmony--Fat Controversy

Various kinds of press decisions within the SKP were made this autumn. The only thing they have in common is that each has been more or less followed by a juicy controversy.

In Pohjanmaa minority parliamentary representative Sten Soderstrom has had the experience of becoming the objective of an opinion boycott in the local people's democratic newspaper. So the people of Pohjanmaa decided that Soderstrom has to get his own paper.

There was contention in Tampere around Christmas. The Pohjois-Hame district organization of SKDL /Finnish People's Democratic League/, SKP's Tampere district and representatives of the local communist paper, HAMEEN YHTEISTYO, concluded an agreement of harmony. It was decided to make HAMEEN YHTEISTYO agreeable to all communists and people's democrats.

The agreement defines, among other things, the paper's editorial policy; articles and speeches which are of an accusatory and personal nature or which because of their contents add to or perpetuate controversies will not be published at all. They will be brought to the notice of the party organs.

A new subeditor in chief, Lars Kihlstrom, who belongs to the minority, was hired to carry out the new line.

When it published the agreement, HAMEEN YHTEISTYO boasted that in Pohjois-Hame a breakthrough had now been made in the unification of the people's democratic movement.

TIEDONANTAJA, which is published in Helsinki, was not at all as enthusiastic. In the newspaper's opinion the people of Hame or at least the editorial writer for HAMEEN YHTEISTYO completely misinterpreted the Central Committee's press decision.

This is not the first time that the people of Hame have misinterpreted something, in the opinion of the rest of the country's communists. Pohjois-Hame has been a thorn in the eye of not just TIEDONANTAJA. There they have succeeded in irritating the party's majority as well.

Colorful Past

HAMEEN YHTEISTYÖ has a colorful past, in which is reflected all the various stages of the SKP controversy. When the party's problems became critical at the end of the 1960's, Taisto Harra, HAMEEN YHTEISTYÖ's chief commentator at the time, gave his support to the occupation of Czechoslovakia. At the same time then television editor and current parliamentary representative Esko-Juhani Tennila encouraged in the newspaper's columns all red-blooded communists to study how to use weapons to provide against a quick strike.

The paper's editor in chief Keijo Savolainen escaped to the Finnish Broadcasting Corporation. The editor in chief who came after him was dismissed, and as a result the staff went on strike. In the autumn of 1971 HAMEEN YHTEISTYÖ slipped entirely into the hands of the SKP minority. The editor in chief became Rauno Setälä, who in due time agitated the students with his neo-Leninist confessions of faith. After he died and the party situation cooled down, the newspaper gradually lapsed into a quiet existence, until at the end of the 1970's so-called pre-Kajanojaism raised its head in Tampere; parliamentary representative Heimo Rekonen had a falling-out with district secretary Esko Malmberg and moved closer to the party's Saarinen leadership.

Thanks to Rekonen the party's majority again gained a foothold in HAMEEN YHTEISTYÖ.

Rekonen's policies and theories did not attract big crowds of people; the movement remained a Tampere phenomenon. The leader himself dropped out of Parliament and currently exerts influence as the controversial, local bigwig in Ylijarvi.

Last autumn Rekonen and Malmberg reached a general agreement on the "healing" of HAMEEN YHTEISTYÖ and on beefing up the editorial staff.

Where Does the Money Come From?

In practice the newspaper slipped into the arms of the minority, claim the members of the majority, who at the same time ask where the money for these press decisions is coming from.

The question has been asked, among other places, in the columns of KANSAN UUTISET, invoking the fact that the money was not to be found when KANSAN UUTISET had needed it in order to continue coming out as a 7-day-a-week newspaper.

The story distributed by the party leadership, that SKP's printing press Yhteistyö is taking care of the financing, does not seem to satisfy KANSAN UUTISET. The printing press is said to be struggling in great economic difficulties. It has even been branded ripe for bankruptcy.

Erkki Kivimäki, chairman of the board of directors of SKP's new paper YHTEISTYÖ and current first secretary of the Finland-Soviet Union Society, which took care of the financial arrangements, gives no answer other than that the printing press is making money.

He is simply infuriated by the claims that the printing press is dependent on Soviet printing work.

"Unbusinesslike questions and accusations," he bursts out, and, once he gets into full speed, points out that the newspapers have been full of drivel and twaddle about his activity in the party and in matters of finance. That the printing press Yhteistyö should be ripe for bankruptcy is, in Kivimäki's opinion, an utterly pitiful lie.

"The experts know that just the opposite is the case."

First Secretary Arvo Aalto also called claims about the poorness of the printing press's economic situation exaggerated. Not a whole lot of happiness has trickled down to him from these new press decisions. When he was interviewed in the most recent sample issue of the party's new paper around Christmastime, TIEDONANTAJA became furious and forbade the party's First Secretary from "forcing on the newspaper interviews contrary to the party line."

The attacks in TIEDONANTAJA have otherwise become stronger. He is compared in the paper's columns to Arvo Poika Tuominen in his handling of the first secretary's job.

Party Chairman Kajanoja is treated a lot more gently in the paper, but on the political committee he did after all take the same viewpoint as the minority's representatives, when the right of the three party divisions to participate in party congress preparations was handled. In the voting Aalto was on a different side.

Aalto points out that the entire vote had no direct influence on the final outcome of the election of representatives. He considers TIEDONANTAJA's anger with him as an expression of "hypernervousness."

12327

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CREDIBILITY OF FAILING PASOK FOREIGN POLICY

Athens I KATHIMERINI in Greek 25-26 Dec 83 pp 1, 3

[Article by I KATHIMERINI Paris correspondent Rikhardos Someritis: "How and By Whom Greek Foreign Policy Is Shaped"]

[Text] Paris--The question is formulated more and more often, both every day and in wider foreign circles: how is Greek foreign policy determined--and by whom--and who is responsible for carrying it out?

The recent examples which give grounds for the question, or at least justify the fact that it is being formulated, are not "secondary ones":

Those who have carefully followed the development of the Greek position on the question of the retreat of 'Arafat's Palestinians from Tripoli ascertained at least inconsistencies among their various Greek interlocutors, even on matters of substance, primarily during the first period of coming to an agreement on Greece's participation in the operation.

Many Europeans, who have "specialized" in Greek affairs within the framework of the EEC, are recording different Greek "mentalities" and positions according to their interlocutors--all members of the government and all--theoretically--charged with speaking and responsible persons.

Located in the sector of relations between Athens and Nicosia, and long before the recent events and the "misunderstandings," from the outset--at the end of 1981--was a problem of defining a clear and stable political direction and policy, as a result of the continuous clashes of various groups of advisors and influential persons, certain of whom are closely linked to internal Cypriot political conflicts.

The interlocutors of the Greek point of view on the great question (seemingly no longer of immediate interest) of the purchase of new fighter planes have also created the same "impression." Interested parties in France, but, as became known, also interested parties in other countries, who would like to sell us their airplanes, have frequently ascertained that the political line and Greek aims on many significant points depend on their interlocutor each time.

These are not the only examples. They are reinforced by the remarkable lack of clarity, contradictions, and voluntary or involuntary sudden alterations of course of the most official responsible parties.

It is certain that, while the PASOK government is already going through its third year of power, no objective and prudent foreign observer dares to summarize and classify Greek foreign policy.

Evidence and information exist which certainly allow many the impression that, in reality, Athens, either because it fears the Americans or because beyond its verbal hyperbole it is pursuing a stable understanding with them, is certainly annoying them on the "secondary issues" but not also on the "fundamental issues," while many of its ministerial and nonministerial cadres are working systematically for an amicable Hellenic-American future.

Analogous evidence and information also exist about PASOK's position on the Europe of the EEC. This is also true about relations with the eastern countries. The Greek government is behaving as if adherents of all coalitions and all solutions are coexisting in its bosom--explicit names have been heard...so that its final position, every time, depends on momentary influences on the influential persons who are considered to be decisive.

In 1981, in assuming the responsibilities of power, the PASOK government had declared that "givens no longer exist" as far as Greek foreign policy was concerned. The truth is that as a tactical weapon the "lack of givens" presents certain advantages. With the passage of time, however, the "lack of givens" is beginning to be interpreted as a "lack of policy" or as a policy without principals, character, and perspectives.

The internal weaknesses of Greek foreign policy--as thus noted and listed--are producing a certain amount of disillusionment and "bitterness." The most "tangible" ones have to do with the economic side of our relations with the Arabs (but after the last deterioration of the Cypriot situation the political side is included). Included too is the not so illustrious development of relations with the Soviets and their allies in the sectors which concern Greece.

Both in relations with the "West" and in relations with the "eastern block" and the "neutrals," the uncertainties, contradictions, and sudden swerves--often without obvious logic, something which certainly does not always exclude hidden logic--have not so much disoriented Greece's interlocutors as far as its policy is concerned so much as they have added credibility problems to Greek foreign policy.

11587

CSO: 3521/134

KKE EURO-ELECTION PROGRAM

Athens I KATHIMERINI in Greek 25-26 Dec 83 p 2

[Text] On 24 December 1983 the KKE-Interior publicized the draft of its program for the European elections in June 1984.

The KKE-Interior program is as follows:

- 1) In favor of a democratic way out from the crisis. 2) Yes to common policies.
- 3) Democratization--national sovereignty--accomplishment. The KKE-Interior--it is reported--"is in favor of broadening the jurisdictions of the European Parliament; it supports the search for and the establishment of new forms of cooperation between the institutionalized organs and the European League of Labor Unions, along with the corresponding agricultural association; it is against every attempt at militarizing the EEC, at least until the policy of independence as regards the United States is made fundamental, and it will support preserving the principal of unanimity while the principal of national sovereignty is what is primarily expressed: in foreign policy; defense policy; development choices; and the formation of political institutions according to the will of the sovereign people." 4) The EEC budget, where it is reported that the KKE-Interior is in favor of increasing "our own resources" by 2 percent.
- 5) Absorption of unemployment--expanding labor conquests. 6) Transfer of resources for developing the periphery. 7) Strengthening Mediterranean agriculture. 8) Strengthening industry and small businesses. 9) Greece should enter the road of contemporary large industry. 10) Protection of consumers. 11) Protection of the environment. 12) Alternative sources of energy. 13) Emigrant problems. 14) Women's rights. 15) Measures on behalf of youth, where it is reported that the KKE-Interior will propose voting on a charter for the rights of youths serving in the armed forces, and to make the time of military service productive as a time of vocational training or technological instruction, which would be connected with various branches of production.

11587

CSO: 3521/134

DSP LEADER STRESSES IMPORTANCE OF EURO-ELECTIONS

Athens I KATHIMERINI in Greek 22 Dec 83 pp 1, 3

[Text] Not only do the elections for the European Parliament to be held next June assume a special political significance because of the under-lying political situation, but also because of the impending developments, especially: a. with the continuing deterioration of the economy and b. with the escalation of the provocations by Turkey. These prospects demand the strengthening of the internal front and the international support of the country.

The president of KODISO [Democratic Socialist Party], Giangos Pesmazoglou, emphasized the above in his speech yesterday to the party cadres during which he defined the party positions in general and emphasized the self-reliance and independence of KODISO from PASOK and the New Democracy in view of the Euro-Parliamentary elections.

The demands and defense of the Greek rights in the European Parliament, as in the operation and development of the European Community, especially in the context of the country's political prospects, Mr. Pesmazoglou emphasized, must be based on clear objectives and not on ambiguous or differing positions as is happening even now in the administration. The goal of KODISO, he emphasized, it to increase its strength in the European Parliament and to ensure a strong presence which "will support the struggle for the economic, social and national rights of the Greek people in the historical process towards a unified Europe."

More specifically, Mr. Pesmazoglou defined the basic positions of KODISO for the European elections as follows:

1. The political unity of the European peoples is necessary and urgent for the strengthening of their independence, the respect of human rights and political freedoms, their economic and social progress, as well as their national heritage and identity. For this reason, KODISO supports the plan for agreement for the founding of the political unity of Europe. It also supports the constructive and active participation of Greece in the proceedings for the early strengthening of the Greek positions in the new institutions. It believes that PASOK's absence or the withdrawal of PASOK from these critical questions is damaging to the national interests.

Common Foreign Policy

2. The road leading to the political unity of Europe inevitably passes through the shaping of a common foreign policy and political defense for all the peoples of the Community. There is no other way to Europe's independence from the superpowers and for the recognition of its role in the protection of world peace and the reorganization of world economy. This direction does not entail an antagonistic position towards the U.S.A., but rather a new kind of cooperation with it. It also places the dialogue with the Soviet Union and the other socialist countries on a new footing. The multi-dimensional foreign policy of Greece, which is supported by the overwhelming majority of the Greek people and which expresses the national interests, gains strength and effectiveness in the context of a common European foreign policy, which, because of geopolitical and historical reasons cannot but have a multi-dimensional character.

The Strengthening of the South

3. The economic strengthening of the Mediterranean countries of the Community, in combination with the expected affiliation of Spain and Portugal, is within the potential and prospects of the Community's developments towards political unity. The assertion of Mr. Papandreou that the economic integration takes precedence over the political one is an inverted slogan. It is, in essence, a technocratic concept which overlooks the precedence of the political decisions and their dynamics.

4. Based on the primary political course of taking the maximum advantage of the benefits engendered by Greece's joining the EEC and the European Parliament, KODISO proposes a series of more specific aspirations (a. Organization: the implementation of KODISO's plans on unemployment, which has been accepted in principle by the European Commission. b. The implementation of an emergency plan for the development of agriculture. c. Orientation of Greek enterprises towards new technical methods according to the "new policies" of the Community. d. Coordination of working conditions throughout the EEC. e. Promotion of European cooperation in education and health.).

In order to achieve the above-mentioned goals, necessary basic reforms within the country need to be made in order to modernize public administration, the decisive strengthening of Greece's foreign economic relations and the development of an open Greek economy.

"These reforms," Mr. Pesmazoglou emphasized, "cannot be conceived or effected by the ND, which is held captive by old-party habits and reactionary influences. All of this has been spoiled and damaged by PASOK with its mentality of party heavy-handedness and its unclear orientations. Without the implementation of these reforms, the continuous exhortations and proclamations about the need to increase productivity and the competitiveness of Greek products are unsupported utterances.

9731

CSO: 3521/124

PAPANDREOU CHARGED WITH ATTACKS ON PRESS

Athens I KATHIMERINI in Greek 21 Dec 83 pp 1, 3

[Text] Yesterday Premier A. Papandreou once more attacked the press in his address before the Council of Ministers by accusing the newspapers of creating a climate of insecurity and anxiety because they gave wide publicity to the statements that he will "personally take over the economy and public administration." The premier, as the government spokesman stated, characterized the reports as being rubbish so there was no need to deny them, but he added:

"He simply denounces them as being arbitrary and deceiving because, in fact, it is an unheard of phenomenon that certain newspapers interpret the fact that when the premier sets priorities for the problems of the country and coordinates sectors A or B, then it is possible to have a damaging effect on the ministers who manage sectors A or B.

"Everyone well knows, as Premier Papandreou said, that just a few weeks ago he himself spent considerable time in contributing to the solution of the problems existing in the National Health System. It is, therefore, inconceivable to think that the premier of the country would not give special attention to whatever area of the government's activity had priority. Surely priority and coordination of the administration's work is the main duty of the country's premier.

"Moreover, as Mr. Papandreou emphasized, there is no doubt that the objective of these press reports is to create a climate of insecurity and anxiety. What is surprising--he added--is that, despite the fact that these repeated efforts have failed, they still continue.

"Finally, the premier pointed out that all these efforts have come to naught and those who promote them and foster them will soon find out once more that they are following a wrong and slippery way."

For the Third Time

It is the third time that Mr. Papandreou unleashes an attack against the press, including the newspapers friendly to him. On the previous two occasions, the premier characterized as "undermining" stories, which were based on information from government sources, by friendly newspapers, which reported that a reshuffling of the government was imminent.

Employees' Salaries Issue

The Council of Ministers met at noon and considered the matter of the remuneration of the employees of the agencies.

The premier asked all of the ministers, except those whose ministries oversee a large number of agencies, to submit, by 15 January 1984, with the deadline for the latter extended to 30 January 1984, the payrolls of the agencies' employees for review by the ministries to the Premier, of National Economy, Finance and Labor.

There followed a discussion on the general subject of construction based on urban renewal begun by YKhOP [Ministry of Zoning, Housing and Environment] directed also to promote building revitalization, which--as Public Works Minister Akis Tsokhatzopoulos reported--at the end of 1983, is showing an increase of 10 million cubic meters as compared to 1982 (60 million cubic meters in 1983 and 50 million cubic meters in 1982).

In addition to the Minister of Public Works, the ministers of KhOP, Mr. Tritsis, Gennimatas of Interior, Mr. Arsenis of National Economy, Mr. Koutsogiorgos to the Premier, Mr. Koulumbis of Energy and National Resources and Mr. Giannopoulos of Labor also spoke on this subject.

The entire system of building activity (issuance of building permits, etc.) will be taken up by KYSYM [Council of Ministers], which will meet in early January 1984, with a view to approving it and it will be followed by the issuance of the relative decrees.

Premier Papandreou also asked the ministers and deputy ministers to utilize the full potential of the civil servants so that there will be, beginning with the new year, a more rapid transaction of all business and an intensified operation of the administrative machinery.

Mr. Papandreou announced before the Council of Ministers that, in order to coordinate and operate the administrative machinery more effectively, four sectors (Public Administration, Economic, Technical and Living Standards) will be decisively activated and will meet at least every 15 days and all ministers will consult with them on legislative matters as well as for the operation of their ministries in general.

The ministers heading the sectors, Mr. Koutsogiorgas to the Premier, Mr. Arsenis of National Economy, Mr. Tsokhatzopoulos of Public Works and Mr. Gennimatas of Interior, will be responsible to the premier. The economic advisor to the premier, Mr. Papanikolaou, and the secretary of the Council of Ministers, Mr. Matzouramis, will head the secretariat of the sectors.

The premier also announced that the KYSYM, without changing its membership, constitutes the representative organ where the heads of sectors participate and will meet under the chairmanship of the premier, or the minister of National Economy, at least once a week. The director general of the Political Office, Mr. And. Livanis, will be responsible to Mr. Papandreou for the proper procedures.

With regard to the revitalization of the building industry in relation to the programs for urban renewal of the country, which were reviewed yesterday by the Council of Ministers, the minister of Zoning and Environment, Mr. Tritsis, made the following statement: "With the publication of the presidential decrees for the housing cooperatives for vacation homes and building in the villages, the legislative framework to cope with all the home construction problems of the country, is completed. During the meeting of the Council of Ministers, the meaning of the "Urban Renewal" operation, which includes the extension of plans and urban renewal interventions in 426 cities and towns, was emphasized. The need to intensify the cooperation of YKhOP with the local municipalities and the continuation of the decentralization process and the rehabilitation of the cities were emphasized. The Minister of Zoning, Housing and Environment closed his presentation by emphasizing that 1984 will be the year of definitive solution of the housing problems with the introduction of measures (such as mixed economy companies), which will aim at the acquisition of proper housing in every city in the country.

9731

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AUTOCRATIC TRENDS, NEED FOR REFORM SEEN IN POLITICS

Athens I KATHIMERINI in Greek 18-19 Dec 83 p 4

[Text] Anti-statism is very fashionable in Greece lately. It is based on a correct ascertainment: The state has become a giant; it becomes involved in everything; it is a businessman who has failed; it prevents development of private initiative; it restricts individual choices; it threatens our freedoms. No one disputes such a diagnosis, nor does anyone disagree with the aspirations: to restrict the activities of the state, more respect for man, more freedom of choice, better and cheaper services. In order to fight evil, a drastic measure is proposed: The role of the state must be decidedly reduced in order for our society to be liberalized as a whole; for the market to be freed on a full scale; for competition to be established everywhere and for monopolies, both state and private, to be abolished and for public services to be freed from state control.

It is not easy for one to agree about such measures, not so much because there is a danger for it to be considered anachronistic in the manner in which it appears to recall the "old specter" of liberalism. This does not appear to happen in view of the fact that the anti-statists accept the welfare state, the regulatory role of the state in the economy, the state activities which ensure basic social services for the citizens and perhaps a few other things, which mitigate or alter their initial position. The difficulty in accepting the prescriptions becomes evident when one overcomes the surprise (perhaps even the admiration) that is caused by daring and sits down to think coolly and logically. Aha! Then the cool and logical thinking leads to three conclusions:

1. It is not sure that the anti-statist therapy is clear and, most of all, applicable.
2. It is not sure whether it will bring about the results being sought.
3. It is certain that it overlooks criticisms and questions that have not yet been posed.

No deep studies are necessary to demonstrate these recommendations. It is necessary not to overlook reality and to remember a few basic things that are part of the simple experience of the common citizen, who is really interested in public life.

Failure of Application

When at some time an attempt is made to make a record of the many interventions of the state and a critical study made with the intention of curbing them, it will be discovered that there are narrow margins only for the reduction of the state's jurisdiction or for restricting the areas in which the state develops its activity. If we are careful not to create uncontrolled and damaging upheavals, the list is not long nor are the final results momentous. The 60 percent of the economic activity that the Greek state controls today will be reduced to 55 percent, 50 percent at best, any more is excluded. No one denies that there will be an improvement, however marginal, that is insufficient to change the nature of things.

Can this disappointing result perhaps be offset by the general freeing of the market? Perhaps. However, at this point things are not at all clear. What does "freeing of the market" mean (of the banking system and the currency market, of the prices, trade, currency, labor) when at the same time the regulatory role of the state and the welfare state is recognized? Where does the role of the state actually stop so that it can be calculated, at least from what is not regulated? How free, in fact, can the market be? No explanation has been given for this nerve-racking subject. The vagueness, therefore, does not permit any critical evaluation.

Such vagueness does not exist on the subject of competition. The position here is very clear and definite: Competition must be restored everywhere and all monopolies, both private and state, must disappear. Would that it were possible! Because many times, whether we like it or not, it is not possible. Business activities are subject to economic laws and one of these is the law of the smallest outlay and the profit margin. Is it perhaps by chance that in most countries of the world (the exceptions are very few) there is only one national airline? And, moreover, even that single one often, very often, has difficulties in operating profitably? Of course not. It is because the outlay by the country is small everywhere (and in Greece, desperately suffocating) in order to sustain many competitive units. Unless the undeclared purpose is again to open wide the road to procedures which will lengthen the list of losing enterprises and of prosperous businessmen. Who will dare do it?

Uncertain Results

Two more elements are sufficient to give credence to the second proposal. It is not certain that the anti-statist measures will bring the sought-after results.

The immediate objective of the anti-statists is the increase of individual choices and the improvement of the quality of services. The highest objective being sought is the liberation and development of human personality. How, then, is all this to be served by the abolishment of the state monopoly of the mass information media? The subject has been approached from many angles and permission is being sought for the operation of private radio and television networks, in view of the fact, moreover, that this is required by a correct interpretation of the constitution.

There is no doubt that the quality of the programs and the abuse by the government monopoly were always, and continue to be, infuriating. There is also no doubt that businessmen by the dozens will come running as soon as the doors are opened. To offer objectiveness and high quality? Of course not. Only to take over an awesome power and to exploit a sure goldmine through predatory methods, with unbridled competition in yellow journalism and vulgarity, in vagueness and revolutionary anti-sociability, depending on the circumstances. How much will the citizens gain from the increase in choices? How much will unaccountability contribute to the development and emancipation of human personality?

Just about equally uncertain are the results of the other positive proposal that was advanced: the de-nationalization of public enterprises in many instances (which, though?) must be made by the free distribution of the capital to the Greek taxpayers, according to their contributions to the income tax revenue. Therefore, the stock of DEI [Public Power Corporation] will be given away to approximately 1,500,000 stockholders. How will the majority, needed to administer the corporation, be formed? According to the present law on limited companies, the answer is not easy. There will be a need for special legislative regulation and perhaps it will end by the state's appointing an administration, which will have its revenge...

Provided it makes it on time! Because, as we Greeks are not familiar with the, somehow non-existent here, mechanisms of the capital fund market and, in view of the fact that we do not have any serious prospects for collecting any dividends, the majority of the appointed stockholders will sell their shares to willing buyers, ensuring at least a free evening at the theater... If they do not do it spontaneously, they will be enticed by proposals for selling them above the market rate. The DEI capital will be concentrated, one way or another, in a few hands. The monopoly will have had its revenge also... Unless the state prevents all this with a new show of force, instituting the unheard of rule of mandatory popular capitalism, in order to have its revenge, clamorously once again.

Unanswered Questions

These two subjects (mass information media and the method of de-nationalization) are among the very few on which the anti-statists express themselves concretely and clearly. There are others perhaps and, in any event, not many. Beyond the taking of the centrist position, which muddies the waters, what has been written until now has been generalities and aphorisms rather than policy proposals. One can search in vain for some great issues to which it would be worth paying attention. We will mention just two as an example.

The first one is the problem of agriculture. The state, in this case, does not merely regulate the market, it plays a primary role. Much can be done to improve its yield; what has not been done or what evils have not been perpetrated, we can easily enumerate, but this is not the issue. It is, however, what would Greek agriculture be, what would agriculture be in any country if the state had not played a primary role? For what reason, when the EEC countries are not eager to surrender even a small part of their national sovereignty on whatever other subject, did they willingly do it for agriculture only and hurried to adopt an intensely interventionist agricultural common policy? None, not even

a hint of this in what we have been reading in the past few months. The question, therefore, is: How can the presence of the state in the economy diminish when it is almost a foregone conclusion that in a critical area, such as agriculture, no serious concession is conceivable.

The second important issue is the problem of power. How can it be overlooked when we talk about the state? What is the state anyway? The question poses a central problem in political science, obscure in many of its details, although absolutely clear in the following case: The state is the power, the men who rule. In other countries, especially in America, where neo-liberal ideas are pursued with serious studies, the subject is not side-tracked, it is placed at the center of the debate.

What do the studies of the School of Public Choice conclude? That the spreading of the state's interference in the contemporary Western democracies (the case of the socialist countries is different) is due to our obsolete political mechanisms which are dictated by the logic of statism to the advantage of a privileged class of citizens. Which one? In America they answer: The "bureaucracy." They use the term correctly because over there the species exists and it represents a defined class and aspect of power. Here though? Here, the word is repeated thoughtlessly, if not deceitfully. Because in Greece (when are we going to understand it?), we do not have a bureaucracy and this is a large national disaster. We have a misshaped and spineless administration without identity in the way in which it is blindly subject to the political power of the times. I have mentioned all of this in my book on the "Greek Administration" (Papazisis, ed. pp. 122-129, 155) and the reader will find in it all the explanations: the administration in Greece is patronage, and bureaucracy is, in essence, practiced by the politicians.

The reference allows me to be concise and to come immediately to the reassuring of the experts: the problems of Western societies are due less to the internal logic of capitalism and much more to the shipwreck of their political mechanisms. Established in the 19th Century, these mechanisms have remained essentially unchanged and they function, by now, in a parochial way while the social and economic conditions that made them correct and justified them have changed radically. The challenge of the times is institutional and political rather than economic. We must soon discover new ways for democratic expression in order to restrain the closed class of privileged bureaucrats--read "politicians" in the case of Greece.

No anti-statist has ever formulated similar ideas here. It is because the elimination of statism at its roots leads directly to political debate and the debate must be developed within the framework of freedom and democracy. The task is herculean.

Therefore, it is necessary to find, on a world-wide scale, a new institutional combination for a democratic organization of powers within the state. It won't be found tomorrow or day after tomorrow. In the meantime, what can we do in Greece so that power may be the least oppressive? Are there ways to curb the powers of the state perhaps?

Yes, of course. Under one premise, however, it is the state itself, that is to

say, the power, that must will it and, in the final analysis, 10 to 20 men, those who lead all the time or who dominate the majority in the Chamber of Deputies and the government of the country. A tough premise, but a necessary one. Nevertheless, why would these 10 to 20 men abide with it?

No power is voluntarily self-restricting, quite the contrary, as a matter of fact: it has a tendency to expand more and more. Only force of the threat of destruction is capable of restricting it. This threat exists today. The sword of political power is double-edged. It not only deeply wounds the social body, disrupting important functions of the "citizens' society," but threatens to turn against those who sharpened it when by then others are wielding it. Who cannot see that the mechanisms of collective decisions in Greece have always fomented the autocratic tendencies of small circles and nurtured the power trends of a small group? Who cannot understand that, if at some time the masks were to drop, freedom (perhaps not our own freedoms or rights) will not be threatened once more?

If one adopts this orientation then he will discover an entire series of clear and practical measures. They will comprise a complete and realistic policy that will not refute any of the basic characteristics of our democratic system of government. On the contrary, it will reinforce them. Its central element (not the only one because there are others) will be administrative reform. I have explained elsewhere its meaning and what is needed immediately in order to consolidate the conviction about the seriousness of the task and to begin to change the face of the state in Greece.

An analysis of this policy is not, of course, possible within the logical limits of a single article. It is sufficient to note that many things can be done to reform the state operations in order to make them more profitable and lighten the inevitable state interventions so that discontent will lessen; today's existential disagreement between state and citizen will finally be eased in order to make legality something more than a laughable pretense.

In the context of such a policy, Europe will have its place. Because certain measures, and especially those that aim at the lessening of the number or the abolition of monopolies, are conceivable of being implemented only in a United Europe. Until then, we will have a tough row to hoe.

9731

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ND 'REBEL MOVEMENT' EFFORT TO OUST AVEROF

Athens TO VIMA TIS KYRIAKIS in Greek 25 Dec 83 p 3

[Article by Giannis Roumbatis: "The 'Rebel Movement' in the ND Has Flared Up Again"; passages enclosed in slantlines printed in boldface]

[Text] During the last two weeks the "Rebel Movement" in the ND has flared up again. This time the "rebels" have operated not only in the (closed) sessions of the party, but also inside the Chamber of Deputies hall and in the newspapers with articles and interviews.

It is not an exaggeration to say that the efforts of ND leader Averof to reduce the stir caused by the various rebellions have reminded us of a man who wants to stop the collapse of the dam by closing up the ever more numerous cracks with the palms of his hands!

The target of the uprisings was not only Mr Averof. It was also the efforts of the claimants to the leadership of the ND to get as close as possible to the longed-for office, at the same time pushing all the other candidates far from this position.

Perhaps the most interesting element in the situation which has been created in the party of the official opposition is that Mr Averof himself is not reacting as vigorously as one might have expected because the "rebels" are not likely to stop--as he himself says to his close political friends. Even the instigators themselves of the disturbance in the ND are asserting that "in 2 to 3 months after the holidays there will be new developments."

It appears, however, that Mr Averof has secured assurances (from whom?) that the "small rebellions" are not likely to go to extremes. Of course the question which is inescapably created is how long these assurances will be sufficient....

It is typical that Mr Averof is not hiding the fact that he had advised--and very recently to be sure--all those giving him the relevant "assurances" that his patience is running short, leaving it to be understood that he would not hesitate to go as far as striking off even "spectacular" names from party rolls if they kept carrying out activities which would clearly violate the principles of the party, as Mr Averof himself understands them.

The recent problems of the ND leader started quite a few months ago. In addition to the repeated meetings of the "gang" of 30--or 20 or 8--"renovators" who are coordinating (to a degree) their shots against Mr Averof, cracks have been created in the ND which are a result of the--large and small--ambitions of primarily seven successors to power.

We are talking about /I. Boutos, I. Varvitsiotis, Milt. Evert, K. Stefanopoulos, K. Mitsotakis, I. Palaiokrassas, and Athan. Kanellopoulos./

Right after summer Mr Averof thought of going ahead in making certain changes in the matter of his party's parliamentary representation in the Chamber of Deputies. He thought at that time of leaving /K. Papakonstantiou/ as primary ND parliamentary representative and of using /Mitsotakis, Stefanopoulos, Palaiokrassas, Boutos, Evert, Varvitsiotis, and Kanellopoulos/ as parliamentary representatives "according to circumstances."

Of course he brought this matter to be discussed in the "small" Politburo which is composed (in addition to Mr Averof) of Boutos, Papakonstantiou, Stefanopoulos, Mitsotakis, Palaiokrassas, and Kanellopoulos. The idea was not accepted with enthusiasm by Papakonstantiou, Stefanopoulos, Mitsotakis, and Palaiokrassas, who were already parliamentary representatives for the party in the Chamber of Deputies, because, as they said at that time to Mr Averof, such an action could be interpreted as disapproval of their work.

Mr Averof assured them that it was not a question of offending them and did not go ahead with making the changes that he had scheduled. He did not, however, abandon the idea as well. He did not abandon it because he was--all those months--under the pressure of certain of those "interested parties," primarily /Evert/ and /Varvitsiotis/.

These two ND deputies were not interested, of course, only in being appointed ND parliamentary representatives. They kept trying to secure--from what is evident--something much more important for their future plans: a place in the "small" Politburo.

The matter resurfaced with the ND announcement that Mr Palaiokrassas sought to be released from the duties of alternate parliamentary representative (which he had undertaken in summer 1982) due to the burden of work.

The release of Mr Palaiokrassas from the duties of parliamentary representative, as innocent as it might have appeared on its surface, contains other details which of course were not included in the press release which the ND gave out.

A succession of ND deputies is criticizing Mr Palaiokrassas for the way he is exercising his duties as secretary general of the party's parliamentary group. These deputies, with Kanellopoulos and Varvitsiotis in the forefront, are complaining that Mr Palaiokrassas is acting in a biased manner to the detriment of his colleagues, primarily in the matter of the signatures for the interpellations which the ND submits. They are saying, in other words, that he continually chooses the same persons.

These deputies are trying to get a new secretary general for the parliamentary group soon. Here matters get even more confused because it appears that Mr Kanellopoulos, who does not have very many allies within the ND however, is ahead.

On the contrary, Mr Kanellopoulos' "spectacular rise" in the leadership of the ND has especially bothered the other successors to power, but it has also bothered those ND deputies who come from the traditional Right.

Indeed, entrusting Mr Kanellopoulos with new jurisdictions such as coordinating the party with all the trade union organizations which are on friendly terms with the ND, and his returning, for yet another time, to the service of keeping the party posted and informed, has already created opposition from those immediately affected.

One of these is former Deputy Minister of the Press /Athanasios Tsaldaris/, who was up to now the proper person in the party for handling trade union relations. It appears that Mr Tsaldaris stated very recently that the ND must be particularly careful because by turning so much against the "Right" it can lose it in the end, while it is doubtful if it will have "won" the Center.

The "augmented jurisdictions" of Mr Kanellopoulos, according to other ND deputies, have created serious problems in the party too. One of these, as the same deputies assert, is that he "misled" Mr Averof into making the statement by which he "explained" Mr Boutos' variance from the ND positions on the matter of defense expenditures provided by the budget voted on by the Chamber of Deputies late on the evening of 22 December.

The "explanations" which Mr Averof gave for Boutos' statement, according to which the former minister of coordination would vote against even the part of the budget having to do with defense program items, led the leader of the ND to an impasse. Because--without the fact that some discussion appears to have occurred on the matter with Mr Boutos himself--the statement was trying to force him into conforming to the party line.

Another problem with these ever increasing jurisdictions of Mr Kanellopoulos was created by Milt. Evert and Pan. Bokovos, who, when they learned at the ND Parliamentary Committee which would debate the budget that Mr Kanellopoulos would introduce the minority vote into the debate on the budget, withdrew from the session.

Thus the end of the year finds the ND united because it cannot do otherwise, and the new year is coming, bringing new tribulations and adventures to the party of the official opposition.

11587

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ANALYSIS OF KNE ORGANIZATION, GOALS

Athens EXORMISI TIS KYRIAKIS in Greek 23-25 Dec 83 p 6

[Article by Kostas Skandalidis: "The KNE and the New Reality"; passages enclosed in slantlines printed in boldface]

[Text] For the very few romantics, or those who are optimists by nature, who persist in hoping that the Greek Communist Youth [KNE] can utter a modern, alive, and timely word and reveal a new character which would correspond to the new conditions, the KNE's Third Congress certainly was a /demythologizing ceremony/.

More, perhaps, foreign delegations than at any other time visited the congress proceedings which took place in a truly modern place where, in the "House of the People," technology serves the working class, and within a climate of well-being as when some members of the KS [Central Council] gave their places to others with unanimous ballots, opinions, and resolutions. This is what was new in what this Congress had to present to the political conjuncture.

As for the rest, the well-known picture:

/Communists who pride themselves on their revolutionary ideas, with the same old worn out material, with the same tone, language, content, and cliches./

The text of the "positions" lacks the new reality even though this latest text keeps insisting that it is new.

Unfortunately it constitutes only a monotonous voice from the past, much further back than the creation of KNE, with all the original stereotypes expressed and written about at the first KKE congresses.

Thus an analytical presentation and critique of all the points included in the "positions" is of doubtful usefulness and worth and certainly goes beyond the scope of this article. Besides, as far as more general opinions, self-criticisms, and a description of problems are concerned, they have been rewritten in former KKE and KNE texts and do not hold up to serious criticism. On the contrary, it is much more useful for one to refer to the political disgrace of the "positions" and their bearing on the political conjuncture in order to find what has changed in the KNE's character and party line in its 15 years of life,

even while developments in our country and in the world have the form of an avalanche.

/The KNE is struggling for its now half-dead political model to shine forth/ within the intense cold war conditions of an apocalyptic and unpropitious world where politics is reestablishing its connection with ideology within clear choices.

Positions such as:

The correlation of forces between capitalism and existing socialism is changing on the international level ever toward the socialist side.

The economic crisis is not international because no crisis exists in existing socialism where everyone is flourishing.

The issue of peace is being subjugated to a theory of good and bad missiles in order to support KNE's theory about the change in the correlation of forces.

These are positions which betray an obvious impasse as its monotonous repetition is anything but connected to reality.

These positions cause strange repercussions with political practice today, especially where Reagan is attempting an effective counterattack in the Middle East, the USSR is defending itself by retreating, Poland owes enormous amounts to the IMF, the USSR from a practical point of view cannot or does not want to impose whatever its position is, Afghanistan and Poland have demythologized the strength of the socialist model, and bureaucracy and depoliticization have now become the social status quo in the existing socialist countries. The KNE should at least be able to dissociate itself from these positions to a degree. It is showing, however, a persistence which is actually exacerbating its impasse.

/It is showing the same persistence, however, in its social model also./

The model is certainly conservative, with an established hierarchy, with unity and the reproduction of traditional positions as its self-imposed goal, and with a tendency toward paternalistic education.

The "good student," the "good child," the "combattant" who has solved all his existing problems because he knows why and how, and a model of good social behavior/ are not simply returning but are being stressed a great deal/. The reproduction of bourgeois relationships is occupying all levels, even the relationship of the "party of the working class" with the KNE, a relationship of father and child. When the dispute or "even making something marginal" have social characteristics, they are faced like a bad illness which needs radical treatment.

The /social problems/ of youth are the business of the state (which is not, of course, meeting them correctly) and of KNE (which is demonstrating the right way to face them).

Their most radical solution is certainly in the acquisition of communist qualities by the youth.

/The same thing is also happening with its cultural character./ The culture of expression, a culture of the progressive art which only artists serving in the campaign are capable of, the culture of recruitment and social realism, is returning unrestrained and lagging in time to the regional areas, as the metropolitan center has lived through it and already gone beyond it.

Not only the crisis about models, however, runs through every page of the "positions." Even more substantial is the crisis of a political direction. As we have stressed before, the Third Congress has also reached the point of confirming that: /there is no existing KNE political proposal for the new generation that would answer its contemporary problems and propose a way of solving them/.

No specific proposal exists outside of several mottos and a framework of objectives and slogans. It is natural that no sort of criticism or self-criticism of the political line can occur while within this framework of generalizations and slogans there is room for just any sort of policy.

Thus self-criticism is literally used up in the organizational sector, on the deceitful economics of enlisting new members, on good or bad pragmatism.

/In this manner the "positions" themselves are making the political procedure secondary, removing its critical political reason and making it lack an ideology./

Within these limits, it is equally natural for the criticism on government policy not to be vigorous and easy; either it is expanded upon on a more general plane or it is limited to the place of youth, as it cannot get past its aphoristic and fragmented character.

As an example we could mention in brief some criticisms of the press:

Change in the factory begins and ends with the inspection boards...change in the schools with abolishing the apron...change in youth with the islands of youth....

Certain positive actions such as the government position on missiles...are fragmented...they do not constitute steps for change but are made in exchange for ensuring the silence (!) of youth in the face of a policy which does not further the solution of its problems.

What the Office of the Deputy Minister of the New Generation is basically pursuing is ideological intervention as well as making government mechanisms productive, in order to shape a reformist direction...in order to beautify government policy.

The famous units of "local government"--an experiment which in Western Europe (!) was put into practice and failed--not only is not providing a solution for the employment of thousands of unemployed youths, but is also attempting to transfer to youth the responsibilities for...coping with unemployment.

Certainly evaluations of such a type do not withstand serious criticism. First because they are not criticizing political practices but are imputing intentions. Second because they have no connection with reality.

According to the KNE, therefore, whatever positive thing the government does to get quiet and inactivity in exchange, it is creating its new institutions in order to transfer responsibilities to the shoulders of youth, while it has definitely surrendered to the monopolies and to imperialism.

/On the other hand, however, these evaluations reveal the perception and practice of the KNE, which is unable to understand a path different from its own for reasons of personality which compose a structural deficiency./

From the KNE the participation of the people is exhausted in the struggle of demands, not in the exercise of political power by the people and the youth. A "bourgeois" government is the enemy of this struggle; because of this the people are to press for larger financial allowances. The new institutions of social experimentation are reformist choices, while nationalization would solve all the problems. Making up fables about representation in which some act on the behalf of many does not benefit direct democracy, interchange, or control. /The relationship of party and youth, guidance and fundamental constituent, DS [Administrative Council] and organized members, selected or appointed representatives and general assembly, state and citizens, government and people, is exactly the same essential relationship between replacement and leading./

From this point, however, to the selected use of certain measures of government policy and to the rejection of the whole of this policy, is a road which passes through questions of /political ethos/ to a democratic dialogue and political confrontation, and which the /reason of the KNE is unable to accept/. Because when the apron issue is considered to be a change in the schoolroom, and student communities, student regulations, modification of dozens of schoolbooks, reform of the educational curriculum, and so many other things are not mentioned anywhere, it does not constitute a contribution to a democratic dialogue.

When mass athletics, social (internal) tourism, political development programs, theatrical education, strengthening of local sectors, and so many other topics are passed over in silence because of the YNGA [Office of the Deputy Minister of the New Generation; expansion of "A" unknown], it is not possible for us to speak only about a reformist direction. Hundreds of such examples could be reported, but there is no room for either a review or a detailed comparison.

To the proposals which the PASOK youth have worked out for /Youth Communities, Production Cooperatives, associating youth with local government, the social problems of youth, and the new cultural policy/, which are creating cells of lively experimentation, the KNE counterproposes refusal. /The method and character of the confrontation is at the least naive and passe./

The Third Congress of the KNE proved that the space its organization occupies is inelastic and dogmatic. Its social characteristics contribute to producing and reproducing a mechanism which functions as a space fortified from the social whole.

The crisis over models, the generalized strategy, the lack of a specified political direction, the weakness in adapting to political and social developments, are a framework in which one would expect, today at least, some sort of breach, change, inspiration, and originality.

Such a thing, however, has not been possible.

/At the same time when cadres of the traditional Left are seeing both the course of the communist movement and its relationship with PASOK (Glezos, Vafeiadis...) through new glasses, persistence in remaining fortified does anything but lead to a positive contribution to the people's movement./

11587

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SOCIALIST PARTY UNDERGOING LEADERSHIP PROBLEMS

Chairman Denies Resignation Rumors

Reykjavik MORGUNBLADID in Icelandic 7 Jan 84 p 2

[Text] "I have never had any plans to quit. I plan to continue as chairman," said Kjartan Johannsson, chairman of the Social Democratic Party, when MORGUNBLADID asked him whether or not he planned to stand for reelection as chairman of the Social Democratic Party when the party leadership is elected at this autumn's party convention.

Kjartan Johannsson was interviewed in connection with the lead article in the Christmas issue of SKUTUL, the Social Democratic Party paper for the Westfjord Electoral District. Discussed in the lead article, which was entitled "Hobby for the Quiet," was the "loss" of the last elections by the Social Democratic Party and it was said there that some blame the party leadership, its chairman in particular, for the loss, since the chairman, as it is worded, "does not seem to look good on television." It is stated in the article, among other things, that the Social Democratic Party "is collapsing about itself," and that if people come to the conclusion that it is the party leadership that does not know its way along the slippery path of the politicians then others should take over. If, on the other hand, people think the party policy to be anachronistic then people should take the conclusion seriously and disband it.

When Kjartan Johannsson was asked about the lead article he said that he was in agreement that the party could be stronger. He said that he felt that the principle of fairness had been adhered to strictly by party representatives in the Althing and in local governments. He stated that there are complex circumstances lying behind the present position of the party and that people have naturally sought to understand them and will continue to do so even more in the future.

Asked whether or not he thought the party leadership was being blamed unfairly, he said: "I think now that all simple explanations are risky when we look at the party in terms of the interaction of many elements. It is a matter of course and has often happened that losses are charged up to the party leadership and victory to the candidates. The Social Democratic Party is not unique

in this compared to other parties, nor is Iceland compared to other countries." Johannsson then said that he felt that the Social Democratic Party has often been courageous, and not after but before other parties have shown similar courage. It is said in the lead article, among other things, that "politics is a matter of entering the fray and emerging victorious."

Those that have led the Social Democrats during the mid-1970s understood this. They went forth, were courageous and the victory was theirs. A state of mind to dare and be victorious existed in the people's party; since then, however, things have gone badly for the party. It is up to the party leadership, the six party Althing delegates, to state publicly before us all why there are not more of them. It is up to them to take the initiative; they should take up the burden that comes from being one of six members of the party Althing delegation. This discussion is more urgent than a draft proposal on changes in Social Security Law entitlements or changes proposed in the "exotic" budget of Albert Gudmundsson. The final words of the article are:

"The future of the party is in the hands of six individuals and will be decided in the next few months."

Signing the article was Helgi Mar Arthursson. Arthursson was formerly a reporter for the party paper and went later over to the paper NYTTLAND, when it was established. He now works with the Association of State and Municipal Employees. Sighvatur Bjorgvinsson, former Social Democratic Party Althing delegate, said in an interview with MORGUNBLADID yesterday that he and Arthursson had written most of the SKUTUL article. But he said that he had not seen the published version since he had not yet received a copy. Karvel Palmason, Social Democratic Althing delegate for the Westfjords was also asked for his views on the article yesterday. He said that he had not seen the paper and did not wish to express his views on the contents of the article but said that he had received telephone calls about it.

Sitting on the newspaper committee of SKUTUL are: Bjorguin Sighuatsson, Arni Saedal Geirsson, Gunnar Petursson, Kristjan Orn Ingibergsson, Kristjan Thordarson, Maria Thi Gudmundsson, Thordur Petursson and Aegir Hafberg.

Party Losing Support in Opposition

Reykjavik MORGUNBLADID in Icelandic 19 Jan 84 p 7

[Commentary by 'Staksteinar': "The So-called Political Opposition"]

[Excerpts] "The Social Democratic Party has encountered rough seas. It has made common cause with a prostrate grass-roots movement, an under-nourished female purse and a tempestuous communist troop that have come together in the so-called opposition in the Althing. In it the voices of the Social Democratic Party has been suffocated into small talk about nothing," thus expressed itself Dagfari DV in a letter received today by Staksteinar.

It's good to have someone to blame.

Dagfari DV's words were as follows:

"It is not unexpected that the association has turned out badly for the Social Democrats (MOGUNBLADID: the association with the other opposition parties) and likewise the party's forgetfulness, but that must be considered a dismal fate that it has turned out for a number of political parties that none realizes where it is at and what is worse, it is the same for all.

"The Social Democratic Party has had, for a long time, to endure being both small and weak. But the party has not always borne this itself. It has in desperation often attempted to cast the blame of the party leadership and chairman and to cut up those who have stood foremost in the party. Thus Gylfi Th. was cast adrift in the self-destruction campaign of the late 1970s. After that Benedikt Grondal was chosen chairman but he had but a week's respite and it was not long until his cohorts discovered that the future of the Social Democratic Party depended on giving him the boot. Both of these men were highly valued when people met and talked to them.

"Of course things improved little for the Social Democrats even though they got rid of their chairmen. The more they changed their leadership the more they lost votes and influence."

It says later in the letter: "Some think on the other hand--those looking at the Social Democratic Party from afar--that the Social Democrats should take their bearings about the fact that the decline in the party is not the result of varying goods looks of party chairman but rather that the party has become broken within itself." Undeniably it would be more rational for the Social Democrats to disband their party than to criticize the chairman when it is the party itself that is to blame."

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NAVAL COS LEENHARDT ON FUTURE EQUIPMENT, RESEARCH

Paris LA NOUVELLE REVUE MARITIME in French Dec 83 pp 4-22

[Article: "Today's Navy and Future Prospects: Discussion with Admiral Yves Leenhardt"]

[Text] The third luncheon-discussion jointly sponsored by the Institut Francais de la Mer [French Institute of the Sea] and the Cercle de la Mer [Circle of the Sea] had Admiral Yves Leenhardt, Navy chief of staff, as its guest. It was held on 18 November 1983 before a full house, and some 50 persons who had registered to attend during the previous few days could not be accommodated, due to the lack of space. Michel Roussel, editor of JOURNAL DE LA MARINE MARCHANDE, emphasized "the success of this type of meeting, where the interest of all concerned is clear and where the structure of the discussion is very attractive."

Admiral Maurice Amman, president of the Cercle de la Mer, introduced the speaker and recalled some of the stages in the career of the Navy chief of staff—from the command of the "Jeanne d'Arc" to the "Colbert," from the nuclear Test Center of the Pacific to presiding over the permanent committee on tests of ships of the fleet. Admiral Leenhardt then followed the rule for these luncheon-discussions: a speech before the meal and a discussion afterwards, with participants presenting written questions during lunch.

Admiral Leenhardt's Speech

A recent and very official memorandum, with an introduction signed by the minister of defense and setting out the "1984-88 Military Program," contained a clearly-stated frame of reference, from which I quote the following passage from memory: "Because of the essential missions assigned to it and the extent of the zones of responsibility which it must protect, the 1984-88 Military Program Law assigns unquestionable priority to the Navy."

This statement, which opens up rather reassuring prospects to the Navy, deserves some comments which I intend to present today [18 November].

Need for a Strong Navy Is Recognized

Throughout the official documents which I have occasion to read, as well as in the course of conversations which I have been able to have with senior figures in the political and military world, one point comes out very clearly: the need for France to have a strong and balanced Navy is very much in everyone's mind.

The lessons of history are eloquent, and it is clear that the nations which have been great are those which knew how to control the seas and to use them in an intelligent way.

I would just like to recall the strategic theories of Admiral Castex on "mastery of the sea," as opposed to "mastery of the land" in order to say that, in my view, one of his most careful readers no doubt has been Admiral Gorchkov, who, for more than a quarter of a century, has presided over the destinies of the Soviet Navy and has assured it of the spectacular development of which we all know.

I would like to add to this the fact that, more than ever, the ocean spaces are natural links between men and are the supporting framework for trade between nations. Furthermore, the resources of every kind which they contain make the oceans a kind of coveted space in which potentially hostile naval forces come into contact with each other on a daily basis in time of peace.

In this framework France, with its two seacoasts and economic zones of its own in all of the oceans, which provide it with the third largest area of control in the world, seems more and more in need of a strong and balanced Navy.

I can testify that this aspect of things does not seem to be well understood by those who have decision-making authority.

The Navy and Its Strategies

To all of these almost traditional motivations should be added specific missions which national policy and the techniques of the moment have assigned to the Navy.

These involve in the first place, of course, France's strategy of deterrence, which is essentially based, as you know, on the SNLE's.* It seems to me that what is true today should always be true in the future: the progress made in the development of submarine listening devices is balanced by the qualities of silence that submarines have. Under these conditions the USA and the USSR as of now, and France and Great Britain in the future, are working on a new generation of SNLE's which will continue to ensure in the future the threat of a second strike.

This "strategy of deterrence," which gives us real political freedom, has the consequence of allowing France to have an independent "strategy of action" in all areas of the world where we have interests or obligations.

* SNLE: Nuclear missile-launching submarine.

Current events make it possible for me to avoid making any extended comment on this. The determination expressed by France to maintain its independence and to remain a great nation implies that it can remain faithful to its commitments and to its desire to defend the peace. In Lebanon, as in the Indian Ocean, the Navy is there, and nothing can replace it in the tasks which it carries out in such places.

These two "essential strategies," added to a better understanding of the importance of the special circumstances applying to the seas, lead to a good perception of the need for the Navy.

Advantageous Factors

In this favorable context today's Navy simultaneously has advantageous factors but also some limitations.

First of all, let's examine the advantageous factors.

The Navy in 1983 is a coherent and well-balanced force in terms of its components: it provides the government with a range of resources which makes it possible for the authorities to shape the actions which they wish to take.

The high quality of our equipment and its effectiveness are generally recognized. They provide our ships and aircraft with a military value which makes them credible as means of deterrence as well as of action, should this be required.

Furthermore, our Navy, for its operations, has a network of communications which makes it possible to set up very easily an operational command organization covering all of the maritime areas in which we need to show our presence.

Finally, let us add to all that the high quality of our crews, their competence, their love for their profession, and their availability.

I said that there were also some limitations. The reasons which explain them come under two headings.

The Navy, as you know, was reconstituted with help from the Marshall Plan in the short space of about 15 years. Many of our ships will therefore reach retirement age over the same period of time. This pertains in particular to our two aircraft carriers, which were constructed almost at the same time and completed in 1962 and 1963, respectively. Such a way of doing things can no longer be considered today for financial and infrastructure reasons.

The second consideration. Beginning in 1965, the FOST^{*} was developed in part out of the operational budget, at a time when the Navy, which seemed to have reached a proper size and no longer appeared in urgent need of new ships, accounted for a very small proportion of the defense budget. This gap in "new

* FOST: Strategic Ocean Force

construction apart from the FOST," added to the simultaneous disappearance of ships built in the 1950's, requires substantial efforts to be made to make up the ground that has been lost.

Future Prospects

Under these conditions, since 1976 the Navy has succeeded in obtaining a slow but regular increase in its appropriations. This leads us to say that, in the context of the present, general understanding of its needs which it enjoys, the Navy has been given an "unquestionable priority."

This "priority" has made it possible to avoid making the kind of drastic choices once considered, such as building maritime surveillance aircraft or aircraft carriers. Such a choice would have deprived the Navy of the possibility of carrying out the totality of its present missions. This "priority" also makes it possible to ensure the replacement and expansion of both our amphibious and logistics ships which are not only becoming obsolescent but had been too few in number for a very long time.

Let us say, in brief, that, thanks to the efforts made, the 1984-88 Military Program is satisfactory to the Navy. However, our efforts will have to be maintained, particularly in the two following directions:

—The aircraft carriers will be constructed, one after the other. The first PAN [naval aircraft carrier] will not be ordered until 1986, and we cannot afford any delay in the launching of the second aircraft carrier to make sure it will be available before the "Foch" goes out of service. The period of service of the "Foch" can only with difficulty be extended to the year 2000.

—The replacement of our combat ships, whose cost per kilogram is increasing with the technical progress being made, cannot be accomplished, despite the efforts being made, as quickly as ships are retired from service. We will therefore have to continue our efforts in the coming years, particularly in terms of ASW [anti-submarine warfare], AA [anti-aircraft], and minesweeping ships.

These future limitations are well known. The introduction to the law on the military program which mentions them adds that we are behind in the acquisition of nuclear attack submarines.

However, it is important to make the best possible use, right now, of all existing resources.

Merchant Marine

The "Port Vendres," a fleet oiler which has been chartered since the summer of 1982, is turning in excellent service, not only in transporting fuels ordered by the Navy but also in underway replenishment of PRE's [supply ships] and even of certain combat units. The experiments which this ship makes possible, facilitated by the attitude of the company owning it (SOFLUMAR), and the high quality of the crew, have given the greatest satisfaction.

Leaving aside tankers, the Navy is improving its understanding of the possibilities of roll-on roll-off, container, or multipurpose ships of between 10,000 and 25,000 tons, a list of which is maintained in peacetime.

In time of crisis the Navy might make use of chartered fishing craft for certain minesweeping operations. This has recently and successfully been done as an exercise.

Organization of our Naval Arsenals

It is also appropriate to make the most profitable use of existing resources and to provide for their maintenance--particularly at the technical and operational level desired. In this connection I would like to mention the naval arsenals and refer to the quality of their organization, both in terms of the division of the work, the construction of new and the maintenance of older ships, as well as their geographic distribution. The resulting efficiency, even if it is sometimes criticized--a matter of tradition, I think-- can be properly measured in particular in the "big jobs" they do or when there is a "major effort" to be made.

Research

While I am still referring to this same area, there is a resource which in times of difficulty must not be neglected, even if--like insurance--it may be initially expensive. I refer to "brains" and research. It might be tempting to nibble away at the "research" budget. However, this would mean sacrificing the future and the operational value of our new construction in the future.

In conclusion, I would like to go back over certain comments which were made at the time of the vote on the military program law and which pictured the Navy as improperly favored. My point of view is slightly different. The Navy is not "favored." It is better understood, and its role, at present as well as in the future, is better recognized.

It seems to me that there are two phenomena which are coming together and which justify the particular interest being shown in the Navy. On the one hand there is a need for an increased rate of replacement of existing equipment since, in the past, this rate of replacement was insufficient. On the other hand there is the steadily growing role which the ocean areas are playing in our strategies as a whole, whether these involve purely military strategies or economic or political strategies.

Questions and Answers

Nuclear Attack Submarines

[Question] Regarding nuclear attack submarines, are they really as small as you said? Are they too small for our needs? Will the new generation of such ships be larger? Will their anti-submarine capabilities be developed? Are foreign countries interested in nuclear attack submarines and would we agree to sell them?

[Answer] Regarding size, it should be remembered that a submarine has different dimensions, related to the number of decks installed on board, since the head room between the decks amounts to the height of a man. Therefore, there are different dimensions involved, and you can't build submarines of all sizes. We adopted the maximum tonnage possible for a certain dimension having a given number of decks. That is what makes the nuclear attack submarine "Rubis" different from the first nuclear attack submarine, the S-68.

It is true that we have the smallest nuclear attack submarine in the world. When you are on board--I was there for the tests of this boat--everything is rather cramped, including the crew. However, at the same time there was a limitation related to the relative dimensions of which I was just speaking. It was necessary to bring the cost of this submarine within the scope of a specific financial limitation.

Personally, I consider that the answer given to these various constraints constitutes a happy compromise. We regularly receive the performance reports, and little by little we are discovering the differences between this boat and a diesel-powered submarine: differences of use, differences of mentality. I will give you an example:

Our submariners have the mentality of a stalker. That is, they are hunters who don't say anything, who look for the places where the pigeons pass by, and who are there, ready to fire. The nuclear attack submarine is capable of performing missions of this kind. However, it can also cover much broader areas, can learn if they are quiet or not, and, of course, can report this eventually. At that point they have to use their means of communication, and discretion is no more of a factor than in the case of diesel attack submarine operations.

We need progressively to get used to the new tasks of which the nuclear attack submarine is capable.

Regarding the new generation, there will be problems, but what do you expect? At this point I am only involved in the evaluation of the capabilities of the existing French nuclear attack submarines.

The nuclear attack submarine certainly is of interest to foreign countries. However, the point of view of the Navy chief of staff is that this involves an existing French weapons system. For the moment I have the strongest of reservations about exporting a ship of this kind.

Aircraft Carriers

[Question] Aircraft carriers. What is the schedule for the replacement of the present aircraft carriers? Should we be concerned as to whether our carriers now in service will have enough time to continue to operate until new construction is available? What is the status of the research on aircraft for the future carriers--the aircraft which will replace the Super-Etendards?

[Answer] This is a major question. First of all, regarding the carriers themselves. Initially, this is a matter of convincing our authorities--and this effort has been under way for a long time--of the need for keeping this kind of ship

in the Navy as a preferred means of power projection. It was necessary to convince those who thought that aircraft based in metropolitan France, using relay landing strips, could meet this need by themselves. The road has not been easy, but the decision to replace the aircraft carriers was made some time ago.

Then it is a matter of knowing what kind of aircraft carrier. Our British neighbors chose a carrier without a catapult. That is putting it rather simply, for in reality you can put the catapult on the aircraft [a reference to the "Harrier" aircraft]. The equipment to assist takeoff is carried by the aircraft during flight, which increases the weight of the aircraft considerably.

As far as we are concerned, we thought that it was necessary to keep the catapult system which remains on board, in order to give the airplane all of its capacity.

There is a second limitation. It happens that we had built a second generation aircraft for our carriers, the Super-Etendard. Its useful life is greater than the remaining operational life of our present carriers. This was one more argument for having an aircraft carrier equipped with catapults and arresting gear.

Meanwhile, nuclear propulsion showed that it could provide great operational range to this kind of aircraft carrier, a ship which, I say, will carry large quantities of fuel in its holds, not only for its aircraft, but also for certain ships which accompany it and which it will be able to refuel. This new, nuclear-powered aircraft carrier will also benefit from very advanced computer software and from the experience obtained from the operation of our present aircraft carriers. Finally, and this is an interesting form of fallout from nuclear propulsion, the elimination of the smokestacks frees considerable space on the flight deck, where we can place aircraft. As a result we will finally have on this new aircraft carrier, which is not much heavier than the older carriers, a flight deck surface which will be very noticeably larger.

Regarding the air group embarked on the carrier, the Super-Etendard will be the attack aircraft of the first nuclear aircraft carrier for some time. At present we have three types of aircraft embarked on our aircraft carriers: an attack aircraft, the Super-Etendard; an air superiority aircraft, the Crusader; and a patrol aircraft, the modernized Alize.

We now have--and the problem is the same in all countries--a joint project with the French Air Force: this involves the development of a future aircraft which could perform the two missions of air superiority and attack at the same time. It happens that the techniques are approaching each other, in the Air Force and in the naval air force. We firmly decided to stick to this joint program from the very beginning. For example, all the aircraft embarked on the carrier need to have a stronger type of landing gear than a land-based aircraft has. We are integrating this constraint from the very beginning of the development of the Air Force aircraft.

Concerning the patrol aircraft, different choices are possible. The modernized Alize aircraft will last for an additional period of time. What I can say is that our future, nuclear aircraft carrier will be capable of handling a certain number of planes that exist today and then their replacements, when they become available.

Furthermore, around this aircraft carrier and the aircraft embarked on it there will always be anti-aircraft and anti-submarine defenses, which are necessary for this carrier group to operate safely.

Replacements for the Fleet

[Question] Clearly, some concern has been expressed about the resources available to the Navy to ensure the acquisition of replacements for the fleet.

[Answer] I spoke to you just a moment ago about the pace of acquisition of replacements for the fleet. I don't have much to add to that except the fact that, first of all, the General Staff of the Navy, under its successive chiefs, was wise to stick with projects already decided on and not change them, as had happened from time to time in the past. The program for corvettes, the program for sloops [aviso], which are continuing, are programs approved in the 1970's. No one, no Navy chief of staff since that time, has ever changed one detail of these programs since these decisions were made. This makes it possible to produce ships in series, which helps to speed up the rate of ship replacement. We presently have a program for anti-aircraft corvettes which is well under way. It is based on the principle, as you know, of using the same hull as the anti-submarine warfare corvettes and of installing on this hull the weapons system used by BLM's [guided missile launching ships] now in service, namely, the Tartar weapons system.

Moreover, we have under way with the Belgians and the Dutch a tripartite mine-sweeper program which, like all cooperative programs, has taken a rather long time to complete, because the priorities of the various parties concerned are not always the same. This program has now come together. The minesweeper, "L'Eridan," is on its long distance cruise. It should pass through the Suez Canal today.

So much for the surface ships. I have mentioned the nuclear attack submarines, indicating that we were at the beginning of series production.

When I was speaking a little while ago about research, about the need to avoid waste, I meant that I did not want to spend money on another type of nuclear attack submarine before having a very full understanding of the submarine which has just been accepted for active service.

Concerning aircraft, I spoke of the development of aircraft for the carriers. The other problem concerns the development of long-range maritime patrol aircraft. We were very satisfied with the service provided by the "Atlantic" aircraft, of the first generation of this type, and we hope for a great deal of improvement from "L'Atlantique," a second generation aircraft. These airplanes will obviously have more electronic gear, more computers, and more sensors than their predecessors did. However, they will have the same fuselage and the same kind of engine. This will be the following generation of the same type of aircraft. This program has begun normally. It was included in the draft budget which has already been approved by the National Assembly for fiscal year 1984 and is now before the Senate.

Finally, we have an accelerated program, and I emphasize the aspect of speed, since everyone speaks of a "slowdown" in one program or another. The accelerated program concerns the development of the operational logistics transport ship (TCD). This is a ship which our experience in recent crises has made even more necessary than before.

In the 1984 budget appropriations are included for the first TCD of the new generation.

Research and Development

[Question] Research and Development. Could you give us some details, particularly regarding the main lines of this research by the year 2000?

[Answer] I will have to be more reserved about such matters. You understand the reason very well. The selection of research programs for the future indicates the direction in which armed forces or a navy chooses to direct its efforts for the next 15 to 20 years. Therefore, this is a carefully protected area, and I would not like to get involved in defining where the gaps are.

However, I might indicate the following, general ideas. Directing research and development involves, first of all, defining the role of what is basic research. That is, what you have to do in any case to have the technical basis along which to move. For example, at the moment there are interesting prospects in the field of cryogenics, that is, the behavior of a certain number of materials when they are subjected to particularly low temperature. It is necessary to know what cryogenics is and to carry on a certain amount of research in that area.

Then, you have to choose the gaps where you concentrate a research and development program: that is, where you are closest to what the future holds. Personally, it is to deal with this concern that I am interested in finding people engaged in this kind of research and observing the kind of research teams which are involved in this kind of work. If you ask me for a more personal point of view, I consider it essential for a research team to satisfy a certain number of conditions. These conditions involve the age distribution of the team. You need an experienced boss and young people to challenge him and bring in new ideas. It's not good to have research teams made up of people of the same age. It is also probably necessary to have people of different backgrounds in these research teams: from the best-known of the technical schools and from the technical universities. I recall that Cousteau always said that he considered it very important to have a photographer who is a real technician, who knows his equipment; who is a chemist and knows his film; and who is an artist who knows how to take photographs in the pursuit of underwater photography. I think that a team must be multi-disciplinary.

And there is also the fact that you have to be able to feel when you are not too far from the way through the gap. This is a more subjective matter, but it is important to spend time on developing this capacity and to succeed in finding the way through to the future.

Public Service Programs

[Question] What is the future of public service programs and the resources which the Navy will continue to devote to these tasks?

[Answer] The problem of satisfying the needs of service to the public is an old one. It has always been answered in the same way: effectiveness on the ground, an answer which is occasionally different, depending on the time period involved, when you are in Paris and have responsibilities for the budget.

Clearly, service to the public, which makes it possible to save human lives and to avoid economic disasters (pollution), today represents a responsibility which has been fully understood by the political authorities. The establishment of a functioning command organization, as you know, under the coordinating authority of the maritime prefects, is now fully accepted by the different government services and, in my view, is quite effective for all of our services, as long as it is understood that each cabinet minister remains responsible for the activity with which he is charged.

In this connection the Navy, leaving aside the work of its admiral-maritime prefect and his advisers, has an undeniable responsibility on the high seas, because our resources are naturally more suited to the high seas than a team of CRS [Republican Security Company] personnel or a small team from the National Gendarmerie. However, I should also say that missions involving service to the public involve substantial burdens. At the last meeting of the cabinet, the minister of defense mentioned the value of the services provided to the country by the armed forces. For the Navy he mentioned the figure of 8 percent of our budget, because the accounting unit used was in terms of man-days. Nevertheless, the actual activity at sea of our naval forces is higher than that--about 14-15 percent. This is the figure for the time we spend on these missions, in the course of which we undertake, among other things, the surveillance of the coast and the exclusive economic zone.

At present we have placed the accent on a certain number of specialized units: there is the case of the "Sterne," for example, a ship initially purchased by the Merchant Marine and then turned over to the Navy for operations. Elsewhere, we have converted the "Mercure" into a fisheries protection ship--for the protection of the albacore fisheries, more specifically. Following a certain number of comments that were made, we also had the job of expanding surveillance around the Kerguelen Islands [French territory in the southern Indian Ocean], where a certain number of deep sea fishermen, of various nationalities, come to fish, catching many fish and probably in excess of the permitted quotas.

Together with the Merchant marine, we have just purchased an old trawler and are presently converting it in Toulon. "L'Albatros," since that is its name, should sail around the beginning of February for the Antarctic Ocean and will patrol around the Kerguelen Islands and then around Amsterdam Island.

In addition to these specialized units, I would also mention the Nord 262 aircraft which we wish to use to conduct surveillance near the coasts of metropolitan France. Finally, overseas our old "Neptune" aircraft will be replaced this year

by "Gardian" aircraft, which are "Falcon 20" [small jet transports] converted into aircraft for the surveillance of the maritime zone.

It happens that we have under development, for our military requirements, a small, 400 ton patrol craft, the "P. 400." This ship looks to us to be well suited to public service missions which might be assigned to it. A total of 10 ships of this type have been ordered; the first four should be delivered next year.

As Navy chief of staff, I can say that these public service missions constitute a point for particular attention and a focus of interest for the crews, which are well motivated in carrying them out. It happens that I was at the Ecole Navale [Naval School] at the time of the traditional ceremony of presentation of first year cadet emblems. This happened 3 weeks ago. That same night the operation involving the "Turtle" took place, a ship which was on fire. Early in the morning its crew of 27 was taken off under the usually bad meteorological conditions found in Brittany at that time of year.

After the rescue operation was completed, as the ship was drifting and was a danger to shipping, Navy aircraft and surface patrol craft sank it. The rest of the operation was conducted quickly and in a fortunate way. Evidently, all concerned wanted to do the job right. It was a total success.

Personnel

[Question] Regarding the quality of the personnel presently being recruited, some people have asked if such personnel, whose quality is clear in terms of their educational background, have the same quality in terms of character and motivation in general.

[Answer] Certainly, the young men we see coming into the Navy belong to the 18-20 age group in our country.

We have selected them on the basis of intellectual criteria, or more precisely on the basis of their educational level. Certainly, throughout our country, the educational level has risen over the last few years, but that does not mean that there are not enormous gaps. I can tell you that it is amusing to question these young people about geography or history.

However, I am sensitive to the question which has been asked regarding the changes in their character. Just a little while ago I was telling a little story to Admiral Amman. About 10 years ago, a little while after the commander here on my left (an allusion to Admiral Brasseur-Kermadec) used to frequent the place, I regularly went to a bakery where three young draftees, who were replaced every 4 months, were baking bread. On several occasions I was there for a little, friendly ceremony when one of them was replaced. I said good-bye to the one who was leaving and then to another one who was staying on, "Now you are the one who is in charge." Several times he said to me, "No, commander, it is we three who bake the bread." My answer was always the same: "I don't know what bread baked by three people is. Bread is baked by one boss and two assistants, and you are the boss now."

In such an attitude there often seemed to be some reluctance or reservation about accepting responsibility. Now, today I see some change regarding this matter, and when I said, a little while ago, that perhaps in the future we should reconsider our system of organization when we have had more experience with this system of recruitment, it was precisely because, in my view, there are more people among our youth who want to take on real responsibility, with a full understanding of the term.

What is the cause of that? Perhaps it is due to you parents, who have resumed following certain good habits. How should I know? In any case, I note that there has been a change. At the same time there is progress in terms of the level of information and the level of formal education. However, for some of our youth there is also progress in terms of general development and maturity.

I don't want to seem completely optimistic. There are also young men who come into the Navy because, on the contrary, in the society in which they have lived, they have met with many disappointments. We always have a certain number of boys who join the Navy because their family atmosphere did not respond to their needs.

The range of motivations therefore reflects the generation of our young people of 20. On the whole, I find them better educated and therefore more suited to assuming responsibilities.

[Question] Won't this higher quality raise some problems in the future? Can we provide promotions suited to the quality of our personnel?

[Answer] I have two things to say on this subject. First, I think that we have a responsibility to train the people we need for the service which we are charged with. For example, I need mechanics who know how to operate the machinery on our ships.

However, if, after all, this training is also useful for some other activities in the country, or in foreign countries which need assistance, so much the better. It is we who will have made the initial investment in training. However, the services rendered by our personnel who return to civilian life will be appreciated by our country, which will benefit from them.

Therefore, I consider that the training which we provide will always be useful, even if it is not always used in the Navy.

Your second question is more immediate, since it deals with promotions for our personnel.

It is true that those of us who have spent a long time in the Navy have met first class petty officers with ordinary sailor's hats who have been in the service for 9 years. I say 9 years deliberately, for after 10 years they are authorized to wear a peaked hat. And it happens that you see them later on, pushing a broken-down automobile with a child inside it, which was the picture of Gervaise many years ago. It is true that promotion has slowed down.

This proves in any case the devotion of our oldest personnel to our service, but it also probably relates to the difficulties of finding a job when they leave the Navy.

Even so, I think that the loss of officers--about 2,000 per year--and of young sailors who do not re-enlist because they have found another way of life, is now bringing us to an annual level of recruitment of career personnel of 3,000, which is an acceptable replacement rate. At times in the past, when the attraction of jobs outside the Navy was much greater, we reached the point of training up to 6,000 sailors per year. That was when the investment involved brought the least return. At present we have a good balance in this regard, which is good. It's that promotions have slowed down. I should correct this impression a little bit by mentioning that the salary level certainly depends on a sailor's grade, but also, and to a substantial extent, on his length of service. Finally, his functions on board are in part related to his competence and his length of service.

The present situation has its inconveniences, but these should not be exaggerated.

[Question] What should we think of having women in the Navy?

[Answer] First of all, ladies, I am very honored that you have asked me this question, because, speaking as a person and as a citizen, I must say how much I consider that we are made of the same flesh and blood and we have the same kind of brains. There is no reason why one cannot do what another can do. Certainly, there are particular aptitudes for each human being. In my view and with regard to the profession of the sea there is nothing to prevent women from serving on our ships. Moreover, other women sailors have gone to sea in the past.

However, a warship is a little like a small apartment in which about 15 people are expected to live together. Consequently, there are problems related to a lack of privacy which lead us to deal with these difficulties slowly. It was with this in mind that the minister of defense approved an experiment, over a fairly long period of time, involving the assignment of several women on board ship. This experiment has been under way for several years on the "Jeanne d'Arc," which is a training ship. It has been under way on a larger scale for the past few months. During the personnel transfer period last summer three ships received a small number of female personnel, and we are considering this matter very objectively.

Under a more amusing heading, I would say that one of the elements which has not often been commented on is that, outside the ships, there is one category of people who are not completely in support of this reform: the wives of our sailors.

Present Missions in the Mediterranean

[Question] Regarding the present mission in the Eastern Mediterranean, do we have enough ships assigned? Are they appropriate to the task? Is this mission really helping us to make progress in the development of our tactics or techniques? Can we maintain this effort--in particular the presence of our aircraft carriers--for a very long period?

[Answer] I can only answer a part of this question. Is the participation of the Navy in this mission a positive development? I say at once and without any hesitation, absolutely yes, even in terms of the design of our ships. In fact, we should understand fully that we have to build ships capable of making war, as the British nuclear attack submarine "Conqueror" did against the Argentine cruiser "Belgrano," firing a torpedo or naval guns against a target. We must know how to do that first of all. These are the first things which any sailor in the Navy must be able to do. However, above this elementary and essential capability, we must know how to maintain our positions in time of crisis, which is very different. A time of crisis is a period during which you don't have a designated enemy, during which you are kept very tightly under control by your government, and during which you don't fire your guns as you can do in time of war.

However, the operations which have been going on for more than 1 year now in Lebanon are taking place in an area where a real threat exists and where, consequently, the crews are on a war footing, maintaining continuous optical and radar watch under a tightly controlled system, with weapons provided with live ammunition, and with fully compartmented integrity on the ships, making it possible to deal with any eventuality.

All of this constitutes particularly valuable training, in the full sense of the term.

The British First Sea Lord, whom I met not very long ago, was telling me the same thing when he mentioned his experiences in the Falkland Islands. The continued presence of our ships in the area is a matter of good organization and regular replacements. The ships leaving for this area of operations have just come out of the dockyards, where they were repaired and refitted and are ready for sea. The ships returning from this area have their maintenance work done in Toulon. This organization is working well, and consequently the maintenance level of our forces, which is part of the contract, is being maintained without any great difficulty.

The Navy and the Merchant Marine

[Question] What is the present situation concerning the relations between the Navy and the Merchant marine? How is coordination handled between these two great organizations? Will this coordination be increased, particularly in terms of construction specifications? Finally, what do the shipowners think of this kind of cooperation, which is closer than it was in the past?

[Answer] Regarding the reactions of the shipowners, you should ask them that question. Let's look at the point of view of the Navy in this area. It is not a part of the French temperament--not my concern, in any case--to promulgate rules of construction which this or that merchant ship may not meet, particularly because of its first function as a commercial ship. On the other hand, there is a certain number of interesting capabilities that might be included if these merchant ships are eventually assigned to serve in the fleet train of our Navy. The first capability involves "landing" a helicopter. I say "landing" deliberately. You can always send something down at the end of a wire. However, a platform which is sufficiently far from the rigging and protected from air currents is

something which is extremely valuable. A list of ships on which helicopters can land is therefore very useful.

Moreover, certain ships are more naturally likely to be used by us. I have already mentioned tankers. Clearly, the "Port Vendres," with the modest changes made to it, is today in a position to refuel our Navy oilers at sea and our warships as well.

Other ships, particularly the "roll on/roll off" ships, with their capability for loading wheeled vehicles, are very valuable for the Army. Last year we used them in operations based on Marseille.

There could also be ships like the ferries, which can easily meet our needs. What we don't need are very large ships above 50,000 tons. They are valuable, individual targets, and we are looking for smaller units which are not so important in themselves. Our interest is in being able to send them at high speed and without escorts.

We once had a concept of small ships that would reinforce the Navy. They were called the "complementary fleet." Today we need to maintain in peacetime a system for the permanent use of a certain number of ships of the Merchant Marine which are capable, without any substantial modifications, of providing services similar to those we need. Furthermore, that will accustom our personnel to work together. This is an interesting line of inquiry, and I would like to explore it further.

Finally, I would say that present circumstances make an improvement in the relations between the Merchant Marine and the Navy more sensible than ever. For example, if you go aboard the ship which is at the mouth of the Straits of Ormuz, you will be able to appreciate the reality of this Navy ship at the service of the Merchant Marine. It picks up their mail on shore, brings it on board, gives them the latest intelligence on the situation which they will encounter in the Persian Gulf, and stands ready to provide further assistance if necessary.

Solidarity at Sea

This profound solidarity of all the people who have things to do at sea--we have not spoken much about the fishermen, but they are also part of this kind of solidarity, a very old kind of solidarity on the Grand Banks off Newfoundland, but which still exists today--is something which I consider very important. I am very glad that you were kind enough to invite me today to stand with you in this circle of men of the sea.

5170
CSO: 3519/178

ALCATEL DEVELOPS ANTISUBMARINE WARFARE HYDROPHONE

Paris TAM in French Jan 84 pp 52-53

[Article by Vincent Chuffart]

[Text] With the advent of electronic warfare, naval combat using shells against armor plating has now taken second place behind detection and countermeasures. Miniaturization of equipment has made possible the development of new equipment, such as sonar trailed in the water by helicopters, whose effectiveness will be improved in the near future, thanks to passive monitoring.

A helicopter-mounted sonar has an immersible dome attached to a winch on the aircraft. In the course of checking a number of points in their surveillance sector, the helicopter crew lowers the antenna of the active sonar and, by turning it in all directions, picks up the position of submerged objects on a screen.

In the same way as a conventional anti-submarine warfare escort ship, a helicopter provided with this equipment can maintain its position within a protective screen. Its speed through the air makes it possible to compensate for the short range of its sonar.

The Acoustic Net

Let us imagine ourselves for a moment on board an intruding submarine. We are approaching a naval task force. For some time now our passive, VLF [Very Low Frequency] sonar has informed us of the presence of this force. Every ship under way emits various sounds which can be detected at very great distances by passive listening devices. In this whole armada of ships our operators have picked up a sector which is relatively less noisy: there are no active sonar emissions and no propeller noises.

As silently as possible, we slide between the meshes of this "acoustic net." Suddenly, a warning on the monitoring device shows a high frequency sonar signal. It is probably a helicopter. It's not far away. The wisest thing is to leave the area at once. If the helicopter is armed with torpedoes or anti-submarine grenades, it won't miss us. If it hadn't used its active sonar, we would not even have detected it.

Active sonar emits acoustical impulses in water which are propagated in circular waves. These waves are reflected back by an obstacle and return to strike the

sonar antenna. The time interval between the emission of the wave and the reception of the returning signal provides the range from the target. The difference in the frequencies emitted and received (the Doppler effect) indicates the speed of radiation (the component of the speed vector on the sonar to the target axis).

All of these indications are shown on a screen which, for the helicopter sonar, represents a quarter of the horizon. Such a system is rather indiscreet, like all active sonar systems, because it can be picked up by passive monitoring well before it can detect its target. That is why a submerged submarine practically never uses active sonar.

Undetectable Search

On the other hand passive sonar is an ideally discreet means of detection. Its antenna is made up of hydrophones which turn with the direction of the monitoring. Sonar operators are able to identify a ship by its acoustical signature, thanks to the analysis of the frequencies received. When passive sonar is listening, it can recognize the type of machinery and the number of propeller turns. However, this type of sonar only provides an approximate idea of the distance from the target. Cross-checking measurements made by two passive sonars nevertheless make it possible to pinpoint the target. It is this passive monitoring capability which will soon be added to helicopter sonars, making search operations by this kind of aircraft undetectable by a submerged submarine. The new submerged sonar will make it possible for helicopters embarked on Navy ships to play an even more important role in anti-submarine warfare. Silence! The sea has ears--and they are flying.

Characteristics of Sonar

A sonar set is characterized by its emission frequency. The low or very low frequency systems (less than 10 kHz) have a very long range but are relatively inaccurate. High frequency sonars (10-20 kHz), on the other hand, are more accurate, but their range is short. They make it possible to determine the position and speed of the submerged object. They are installed on helicopters because they are less cumbersome and are lighter in weight.

The range of a sonar depends on bathythermal conditions, that is, on sound propagation conditions in the water at a given time and place.* The range also depends on the depth of immersion. Towed sonars are more effective, due to their antennas, whose depth in the water can be controlled.

H S 12 (Sintra Alcatel, 1980) Sonar

--Total weight of the set (including winch): 240 kilograms.

--Winch: length of cable, 300 meters.

* The speed of sound in water is variable in effect as a function of temperature, salinity, and depth.

--Speed of descent: 5 meters per second. It is possible to coordinate the winch with the automatic pilot while hovering.

--Emission: omnidirectional at a frequency of 13 kHz.*

--Reception: broad band reception between 7 kHz and 20 kHz.

* 1 kHz = 10 kilocycles per second.

5170

CSO: 3519/177

BRIEFS

BUDGET DEFENSE PROVISIONS--The new budget contains 43,239,000,000 drachmas for amortization payments for armed forces supplies since 1972. A sum of 19.5 billion is included for purchasing war materiel from the United States. Two billion are earmarked for amortizing the frigate "Elli" and 900 million for the frigate "Limnos." Deputy National Defense Minister Zakolikos reported these statistics and also said the following: He asserted that Boutos' accusations in the Chamber of Deputies are due to an incorrect interpretation. The budget contains operating necessities (emoluments for personnel, provisions, nursing care, construction, and so forth) and not defense requirements. There is a special reserve fund for armaments. This year the budget is surcharged by 11 billion due to the rise in the dollar. [Text] [Athens I KATHIMERINI in Greek 24 Dec 83 p 2] 11587

CSO: 3521/135

NEW COMBAT UNIFORM BEING DEVELOPED

Amsterdam DE TELEGRAAF in Dutch 14 Jan 84 p 23

/Article by H. F. van Loon: "Dutch Soldier Gets New Super Combat Uniform. American, British and German Authorities Follow Developments Closely. Science, Industry and Army Together In Unique Project;" passages enclosed in slantlines in boldface/

/Text/ /The Hague, Saturday--A unique cooperation between science, industry and the army must see to it that the Dutch soldier becomes the best-dressed soldier of NATO. Although the army's current combat uniform dates from just 1978, it isn't functional: It is too cold in extreme cold, too hot when it is warm, protects poorly against rain, the helmet is too heavy, the canvas straps absorb water, it mildews quickly and the soldier can scarcely move in the uniform consisting of too many layers./

Therefore, a 4 million-guilder development order has been given to the Twent textile firm Nijverdal-ten Cate to design a new combat clothing-system. The outfit, which must be ready in 1986, will give the Dutch soldier a totally new appearance: Then, he will be put in a camouflage uniform that consists mainly of artificial material, is fire-resistant, infrared-repellent and therefore invisible to heat-seeking scopes. He will, when necessary, wear a bulletproof vest over this, a helmet of the new material arenka that won't weigh more than 1.5 kg and a combat pack that can be thrown off with one push of a button and that can be easily decontaminated--this last in the event of nuclear or chemical contamination.

Nijverdal-ten Cate is being closely supported in its development project by the military working group PSU'80 /Personal Standard Equipment/ any by three TNO /Applied and Natural Science Research/ laboratories: the Institute for Physiology of the Senses that investigates, among other things, the influence of clothing on performance, the Prince Maurits Laboratory that is concerned with nuclear, bacteriological and chemical protection and the Physical Laboratory that performs experiments in the field of heat-loss and infrared.

This integral approach is considered so unique that not only American, but also British and German army authorities are following the development closely, while the Germans would have liked to have participated in the whole projects, but lack of funds restrained the German Armed Forces. It is not being ruled out

that other military organizations may in due time want to procure some of the Dutch know-how, while a considerable diffusion into the civilian sector is also expected--Nijverdal-ten Cate does innovative work on all sorts of protective work-clothing.

They are also experimenting with the new fibers "kevlar" and "arenka" that are stronger than steel, just one-fifth the weight, and practically unflammable. Named as an example are the so-called "saw trousers," into which the new fiber has been worked, and in which the blade of a motor saw (!) jams before it can penetrate to the wearer's leg!

/Uncomfortable/

/Project head Lieutenant Colonel L. Jansen and Nijverdal-ten Cate Director B. A. F. Keijzer noted to their amazement, during a recent visit to the United States, that/ people there are "jealous of our total approach." It seemed clear that the Americans are going about it awfully bureaucratically and are more concerned with again and again making changes in an old concept than with tackling the business from the beginning. "/opening quotation mark omitted in text; perhaps should include foregoing sentence as well/ They have, by the way, just developed a new combat uniform there that was used, specifically, in the Grenada conflict and that made us wonder: How in the name of heaven can you design such a uniform? It is made of half nylon, half cotton which makes it hardly fire-safe and certainly uncomfortable to wear."

This week, it has also come to light that the American soldiers react "generally unfavorably" to the new uniform, that is said to be "intolerably warm even in moderate temperatures." Furthermore, it is said that "it is almost impossible to get dry, that the sleeves are cut so tight that they cannot be rolled up, that the collar is too wide and the pockets sit so low that it is hard to reach them. The hems come off, as well as the buttons, and there is a reinforced crotch in the trousers that makes them stronger as a whole, but hampers running. After a couple washes, the uniform wrinkles, while the camouflage colors gradually disappear and give the whole business a dirty purple color."

Engineer-General E. B. van Derp Taalman Kip, who is the head of the Army Technology department: "You also have to remember that once fire is opened to on the troops in such a new uniform, one quickly gets the impression that it is good for nothing at all. We are now trying to approach the business in a totally rational manner, whereby the fact that the army is gradually being motorized plays an especially large role and which again puts new demands on our combat suit. Whatever comes out of this will still also be a compromise, because a truly ideal uniform does not exist, or would be unaffordable."

/Falklands Crisis/

/How defective and dangerous combat clothing can be became apparent during the Falklands crisis. English sailors incurred severe burns because they were wearing clothing of synthetic material that melted and stuck to the skin whenever they came near flames./

It was also estimated that one-third of all the frontline British soldiers in the Falklands incurred temporary or permanent foot injuries because of the cold, against which the army footwear offered no protection.

Lieutenant Colonel Jansen: "In the future, we want fewer pieces of clothing for the soldier. Away with the 'layer system.' No more looking like the little Michelin man, when you perforce have to put everything on. In the region we defend, the North German plain, it can be 35° /Celsius/ above zero, but also 35° below zero. In the extreme cold, the layer system is no longer sufficient. The soldier has to put on four layers (underwear, innersuit, quilted insulation-suit and outersuit), but then he can hardly move. So, he leaves out his insulated trousers and outer trousers and, as a consequence, is insufficiently protected against cold and wet."

Now, we are involved in designing, for the first time, an entire system, not just one combat uniform. First, the clothing has its turn; then, the sleeping bag--that will be a combined tent/sleeping bag that also offers protection against radiation; next, the new helmet, with accompanying gas mask; after that, better combat boots; then, finally, the combat pack that will probably be made of canvas with a plastic coating over it."

Dr P. Wittgen (TNO): "We are thinking primarily of things like comfort, fire-resistance, high durability and practicality, but we are not forgetting either that the soldier will ultimately also want to look good in his new uniform. It has been shown that good clothes give the man more self-confidence and that he does, for example, in fact feel safer in camouflage colors. 'Clothes make the man' is just as true of soldiers...."

12507

CSO: 3614/31

POLL FINDS SUPPORT FOR NATO REMAINING STABLE

Oslo AFTENPOSTEN in Norwegian 2 Feb 84 p 3

[Text] Only small changes were noted in NATO support in the opinion poll conducted by the organization People and Defense last November. The poll, which was carried out by Norwegian Market Data, showed that 64 percent of the 1,312 respondents felt that NATO helps make the country more secure.

That is a decline of 1 percent in relation to a similar opinion poll in 1982. Some 10 percent of the respondents said that NATO increases the threat of war. That is the same percentage as in the 1982 poll. Another 10 percent replied that NATO membership does not play any role with regard to the threat of war while 15 percent--the same as the year before--said they were not sure.

The question asked was: "Do you think Norway's membership in the western defense alliance, NATO, helps make the country secure from attacks by a foreign power or do you think our membership in NATO increases the danger of an attack or do you think our NATO membership does not play any role in this context?"

The poll was conducted while the discussion on deployment of missiles in some NATO countries was quite intense.

There are still far more men than women who say NATO membership improves national security. The percentages giving this answer were 71 and 57 respectively. Among women the don't know group was 22 percent while it was 8 percent among the men.

The support level among young people was quite stable in relation to the 1982 poll. In all, 61 percent of those asked in the age group from 15 to 29 gave a positive response. That is a decline of 1 percent from the year before. The don't know percentage rose from 12 in 1982 to 17 in 1983. The biggest level of support for NATO membership was in the age group from 30 to 59, where the figure was 67 percent.

There were some shifts in the responses, grouped according to political sympathies. Within the Labor Party, support rose from 57 percent in 1982

to 60 percent last year. In the Conservative Party support went down from 88 to 86 percent.

There was an increase in NATO support in the Socialist Left Party--from 15 percent in 1982 to 23 percent last year. Support in the Christian People's Party went down from 77 to 70 percent while it went up from 74 to 77 percent in the Center Party.

For Liberals the figures were 67 percent in 1982 and 66 percent in 1983, while NATO support in the Progressive Party rose from 73 to 76 percent.

6578

CSO: 3639/66

TADKOM MOBILE COMMUNICATIONS SYSTEM INTRODUCES NEW TECHNOLOGY

Oslo AFTENPOSTEN in Norwegian 25 Jan 84 p 11

[Text] A new communications system which is undergoing tests by Brigade North could revolutionize military communications. The system is called Tادkom--which stands for Tactical Digital Communications System.

"Tادkom will meet future needs for data communication for an army in the field. It will revolutionize command communications at the brigade and division levels in the army. The system will also involve a substantial improvement of communications for fire support and air defense and it will help meet communications needs in some other brigade divisions," said Lieutenant Colonel Erik Engestol in a speech to the Oslo Military Society on Monday. Engestol is head of the Weapons School at the Army Communications School and Exercise Division in Jorstadmoen.

Lieutenant Colonel Engestol said that a new generation of technology has been used in Tادkom. It will open up entirely new possibilities for meeting the communication needs we could run into for a long time to come, he said.

The Tادkom system is built around so-called "junctions." Telephones, teletypewriters, copying and data equipment can be hooked up to the mobile units. What makes the system unlike all similar systems in the past is the physical size and weight of the components.

"Similar communication systems today require installation in large trucks with cabins. A junction consists of several vehicles, including one for each radio line station. Therefore these systems are most often used at the corps and division levels with connections only down to the brigade level, which is the lowest level. In Tادkom both junction and terminals can be packed into a light field vehicle. The technology is also head and shoulders above current systems," Engestol said.

The equipment has been developed since the early 1970's. At the time this was part of a research project at the Defense Research Institute (FFI). In 1973 an agreement was reached between FFI and the Army Supply Command on developing a light tactical communication system based on so-called junction technology. In 1978 an agreement was reached between the Army Supply

Command and Norwegian industry--primarily Elektrisk Bureau, Inc. and Standard Telephone and Cable, Inc.--concerning a trial system.

The equipment was delivered to Army Communications for usage tests in the fall of 1982 and since then the system has been tested at Jorstadmoen and later at Brigade North. The tests will continue until summer 1984. Lieutenant Colonel Engestol said that a number of promising results had already been obtained with the equipment.



In the picture we see a so-called "junction." In the Tadmok system all communications functions and data terminals can be packed into a light field vehicle.

6578

CSO: 3639/66

COMMANDERS FOR NORTHERN FORCES WARN OF BUDGET CUT EFFECTS

Oslo ARBEIDERBLADET in Norwegian 20 Jan 84 p 6

[Article by Pal Nordenborg]

Bodo--The defense cuts will affect military activities aimed at deterring war. That is starting at the wrong end.

This was the opinion of the supreme commander for North Norway and his three commanders.

Starting will soon start extensive discussions of the armed forces in connection with the long-range plan. ARBEIDERBLADET asked the leaders of our northern defense command whether they could get by on a defense budget of almost 13 billion kroner.

They warned against the possible consequences of reduced activity--the armed forces would be unable to do the job envisioned in security policy objectives, the principle of basing national defense on the nation's defense efforts could be weakened and the base policy could be called into question.

"I am definitely of the opinion that Norway should have a balanced national defense. But if resources are not in proportion to the activity and the funds needed cannot be provided through rationalization of the operating budget we must face the fact that the result could be a more unbalanced defense pattern in a larger allied context."

Lieutenant General Ulf Berg, supreme commander in North Norway, said that to ARBEIDERBLADET.

"The development is alarming," he said, "because the basic principle of basing our national defense on a full utilization of the nation's own defense forces could be weakened." It is also possible, Berg maintained, that our base policy could come into question.

Along with the commanders for land, air and naval forces, Lieutenant General Berg is the leader of our northern defense command, the segment of Norwegian

defense that has the highest priority. In a command transfer they would be allied chiefs. With regard to the NATO integrated air defense system, the air commander, Major General Alf Granviken, is part of the allied chain of command even in peacetime through the supreme commander.

Rear Admiral Torolf Rein is head of naval forces and Major General Martin Vadset is head of land combat forces.

Defense Capability

Both political and military authorities are now discussing ways in which the armed forces can save. We put the question to the leaders of the defense command here in Bodo. The defense budget is now at 12.9 billion kroner with an estimated real growth of between 3 and 3.5 percent. Isn't that enough?

The leaders of the armed forces in North Norway shared the same opinion. If activity is reduced, the defense system will be unable to do the job envisioned in security policy objectives. Therefore the choice seems to lie between changing defense tasks and functions as outlined in our security policy or increasing appropriations.

"In recent years we have had to cut activities for the purpose of checking growth in operating expenses. These measures have been carried out at the expense of standing preparedness," they said.

In their view it is hard to see how to save big sums in the armed forces without reducing the activity level and lowering expectations. If anyone has a long tradition of pinching pennies it is the people in the armed forces.

The four backed the defense chief who pointed out that in the next planning period, 1984-88, Norway will be unable to maintain its military defense capability whether this is viewed in the East-West context or in relation to Norway's past defense capability.

Typical Operating Budget

The defense leadership in North Norway pointed to two factors. The defense budget in Norway has been a typical operating budget. It is primarily intended to pay for wages and personnel costs, training and exercises, maintenance and operation of equipment Norway received as weapons assistance. When Norway had to acquire more equipment on its own, the armed forces tried to make ends meet by saving on operating costs.

But operating costs are largely regulated by overall developments in society. Thus the cuts affect the military activities that are concerned with preventing war, the so-called sharp edge of the armed forces.

At the same time they point out that there is no corresponding reduction in the level of ambition in the East. On the contrary, even though everything indicates that the Soviet Union is sticking to a policy of regional detente

in the North, there has been a constant and steady rise in the quality of Soviet forces, which is of special significance for Norwegian defense.

Consequences of Cutting Defense Funds

For the supreme commander in North Norway and his subordinate commanders it is of relatively little interest whether the set goals for the real growth of the defense budget in percentages are achieved on paper. They stressed repeatedly that the important thing is the operative condition of the divisions--whether one is talking about airplanes, ships or army forces.

Rear Admiral Torolf Rein said:

"In several areas today we have arms and equipment we feel will be effective against the threat we are faced with. We have accomplished this by using advanced technology. With regard to quality versus quantity, there is a clear lower limit for the navy where quality and technology are concerned."

Rein referred to maintaining sovereignty, which is an important task for the navy in its daily activities. But, he said, if we do not demonstrate enough determination and ability to guard the nation's rights at sea, our sovereignty could erode quickly.

Mobilization Status for Navy

"If we are to live up to Storting's instructions, which require us to be capable of quickly repelling any form of border violation, to the letter we would need more ships and greater activity in the region," said Rear Admiral Rein. He pointed out that one of the results of having a frigate laid up in harbor last fall was a reduced presence and less opportunity to assert our sovereignty.

In addition to the coastal artillery's combat installations, it is the number of equipped and operative naval ships that make the war-detering effect of the navy credible, Rein maintained. And in that context, a modern navy on a mobilization status is not credible enough, he said.

Base Policy

Major General Alf Granviken said this:

"Operating expense savings for jet fighters means reduced usage. That is because lowering the standards is not acceptable for reasons of airplane safety. In addition we would also quickly lose the advantage we in the West feel our higher quality provides."

Granviken pointed out that reduced use of jet planes means in turn that our air space is more open. How much depends on the reduction. But the degree of the reduction can be such that an undesirable vacuum arises. From the

point of view of security policy, this can be compensated for with allied help, Granviken said. "But then what about base policy?" he asked.

Defensive Power

"If a country wants to have a balanced defense, it is obvious that its defense must have components from all branches of defense," Major General Martin Vadset said.

With respect to the army, he said, the utilization of defensive power is of vital importance. No one should forget, Vadset said, that a reduction in operations is in reality a downgrading of the nation's defensive power and an erosion of the conscription system. If we put ourselves in that position, it won't do much good to sit there with the materiel!

But according to Vadset, this was not an either/or proposition. "In my view," he said, "we cannot go any further in cutting training and refresher exercises for our soldiers. We must make sure that our people know how to do their jobs. We must be sure that the few divisions we have can be used in a war. If the operating budget does make this possible, we are on the wrong track," Major General Vadset said.

Accounting Techniques

The four top leaders in North Norway felt that there should be more emphasis on how much of defense spending is used on real growth without contributing to maintaining military defense capacity. They feel it is unfortunate to have an appropriation debate that seems to be concerned with accounting techniques while preparedness keeps deteriorating.

Today, according to Lieutenant General Berg, we have laid up one frigate, reduced navy call-ups, cut the number of airplane crews and phased out some land combat divisions. "This concerns us," he said, "because it means we are beginning at the wrong end.

"It seems as if it is much easier to do this kind of thing, while it is impossible to get rid of the cavalry company, which is totally without importance from a defense viewpoint. I would also like to point out that the armed forces have been forced to cut personnel for many years, while other sectors of the national administration have only had to do so recently," Berg said.

Operation, Investments

Today between 400 and 500 million kroner of defense operating costs go to such things as the Coast Guard, the rescue service, the United Nations service and civilian education.

However Major General Vadset felt there is little hope that the way out of the problems lies in recognizing an imbalance between operation and investments. He said:

"If the operating side is already too skimpy and investments are inadequate both for the acquisition of materiel and for maintaining and renewing our buildings--well then we must face the fact that the budget is inadequate!

"If after being told of the consequences of this problem the politicians decide that the armed forces cannot have more money, then the quality of our defense will have to be adjusted to that decision."

6578

CSO: 3639/66

PROBLEM OF RETAINING OFFICERS INCREASING

Oslo AFTENPOSTEN in Norwegian 1 Feb 84 p 3

[Article by Liv Hegna]

[Text] The conflict between their own military careers and the professional careers of their spouses is becoming a steadily mounting problem for many officers. That was one of the conclusions in Knut Forland's seminar assignment from More og Romsdal's district college. Forland found that this has a high correlation with officers' desire to leave the military. "The posting system may be responsible for many family break-ups," said Forland who also said that almost 80 percent of officers with children said that moving represents a "personal strain."

When it comes to the general well-being of officers' children, Forland's study did not show that they did poorly on the whole. "Changing schools, new and unfamiliar environments after moving from one part of the country to another, leaving old friends. These are stresses the children must deal with, especially because posting assignments come quite frequently in the military," said Forland who added that military divisions are often located in such a way that children do not have much choice with respect to the children they can play with. "A rich selection of organized activities would therefore be preventive medicine of great importance which the armed forces should follow up," Forland told AFTENPOSTEN.

Knut Forland concluded his assignment by saying that to prevent the military from being an organization that seems alien to most Norwegian, personnel policy must keep up with developments in the rest of society. "This is important with respect to the trust and support of the population as well as to the internal climate and efficiency of the armed forces," Forland said.

Knut Forland also felt the military had based its personnel policy on the old marriage law in which the husband is the provider and as such is able to demand that his wife go wherever he is ordered to serve. Spouses today increasingly want their own jobs and professional careers. They are no longer "provided for" but are providers with the same rights and obligations as their husbands under the new marriage law, Forland said.

Forland did not deal with the debate on women's entrance into the armed forces and the personnel problems this will lead to, especially with respect to family conditions. In connection with the question of commuting for officers, he did not suggest that officers get the same treatment as conscripts, for example, and get five free trips home a year. Forland was content to show statistically that commuting has risen among officers in recent years, that this is probably more widespread in southern Norway but that more and more are also commuting between northern and southern Norway. "I think there is a need for a study of the consequences of commuting in the armed forces, especially from the point of view of determining if this can be an acceptable solution for the officer and his family."

Forland also called for more research into the military's personnel policy in relation to the job environment law. "The military as an organization must function in today's welfare state with job assignments and objectives that will satisfy wartime requirements. There is a contradiction in this. But I will say that an organization's readiness and intention to realize its ultimate objectives are of little help if the organization is weakened or dies along the way because of its inability or lack of determination to adjust to the changes produced by developments and the environment," Forland told AFTENPOSTEN.

His paper shows that about 50 percent of the wives or live-in partners of officers work outside the home and that this is particularly widespread among younger officers. Forland concluded his survey by saying that wages were the primary reason why officers left the military. At the same time poor housing conditions were pointed out as a negative factor in moving. Over 80 percent of the officers said the standard of military housing was generally poor.

6578

CSO: 3639/66

COMPREHENSIVE STUDY OF EFFECT OF WAR ON COMPUTER NETWORKS

Oslo AFTENPOSTEN in Norwegian 3 Feb 84 p 7

[Article by Tore Ness]

[Text] The weaknesses of a computer society during a war will be examined in a nationwide study. Some 400 banks, shopping chains, industrial firms and others who have made themselves dependent to a greater or lesser degree on modern computer technology will be asked by the so-called vulnerability committee to give an evaluation of their own activity in the event of a war or some other catastrophe.

"An act of sabotage, a natural catastrophe or a major technical accident could put vital computer systems out of action unless we safeguard ourselves against this in advance," said assistant director Svein A. Overgaard of the government-appointed committee. In daily life he is head of the planning section in the Ministry of Consumer Affairs and Administration. The committee is made up of seven members with the director of the Computer Inspectorate, Helge Seip, as chairman.

The committee's mandate says expressly that it should not concern itself with everyday minor problems in computer activity but examine the risks involved in connection with war, international crises and serious internal unrest. The study is part of the implementation of the long-term plan for civil preparedness and the final report is expected to be ready by the end of the year.

"So far we have been spared big catastrophes as a result of computer accidents," said Overgaard. "But we have had occasions when such accidents might have occurred, which could have had harmful effects for a large number of people and led to the loss of substantial sums. One example was a fire in a large computer center that served quite a few firms. The fire was put out in time but it made us reflect over what could happen if vital computer systems are put out of action."

Among the firms that will now be asked to fill out the detailed questionnaire that is being sent out are several chains of stores and wholesale firms. The increased use of computer services has meant that businesses

have been able to cut down on the quantity of goods stored, thus increasing profitability. But in a crisis, the low level of supplies could lead to an acute shortage of goods much more quickly than used to be the case.

Other especially vulnerable areas in society that will now be studied are acute health-care services along with rescue and ambulance services, information firms, police and fire departments, energy supplies and telecommunications services.

One of the activities most dependent on computers involves payment institutions, such as banks and postal payment offices. The committee will also put great emphasis on finding ways to guarantee the payment of vital funds to such people as pension recipients and people receiving social assistance, who are often much more dependent than regular wage earners on having payments received on certain dates. The committee will also examine transport firms and traffic conditions. In Oslo, among other places, a large part of traffic regulation is controlled by a large computer facility and a breakdown in this facility would probably lead to completely chaotic traffic conditions in the downtown area in a very short time.

"I think there is mounting uneasiness among many people because we are steadily making ourselves more and more dependent on computer systems," said Svein A. Overgaard. "Personally I do not think it is more risky to live in a computer society than in the kind we had before. On the contrary, we can show in several areas that we have become more secure precisely because of computer technology. But the new technology means that damage can be much more extensive and affect a large number of people once an accident does occur. Therefore it will be our task to note the risk factors that exist and come up with proposals for safeguarding ourselves against the occurrence of an accident."

6578

CSO: 3639/66

BELGIUM, LUXEMBOURG REACH STEEL ACCORD

Zurich NEUE ZUERCHER ZEITUNG in German 14 Jan 84 p 15

[Text] Brussels, 11 Jan--With the signing of an agreement on Friday, the governments of Luxembourg and Belgium want to establish the basis for cooperation between the steel concerns Arbed, Sidmar and Cockerill-Sambre [CS], initially limited to 10 years. As was already announced briefly, the most important elements of this cooperation are the determination of a common strategic orientation, with its practical expression in a coordinated investment and restructuring planning, and cooperation in steel commerce.

Preserved Independence of the Concerns

The wording of the protocol became known even before the meeting of the government heads. In its form, it is an agreement between the companies concerned, which remain independent both financially and in terms of business management. To be sure, beyond the association, which will arise as a result of the extensive integration of activities, a joint committee is to be formed that includes the presidents, general directors and heads of the most important staffs. The committee will not only be responsible for the thorough application of the agreement but also is to work out a suitable structure for expanding cooperation.

The protocol sets out the planning framework for the future responsibilities of the three enterprises Arbed (Luxembourg), Sidmar (Flanders) and CS (Wallonia). For Arbed, that means concentration on long products with retention of the production of cold-rolled flat products. The integrated production of flat products, from castings to rolled products, is to come under the jurisdiction of Sidmar. In the Luetticher Works belonging to CS, the emphasis is to be on cold-rolled laminated sheets, which is meant to assure continued steel production. Retained as a special aptitude of the CS works in Charleroi is the production of hot-rolled flat products. At the same time, complementary to Arbed Luxembourg, certain long products such as wire, round concrete steel, commercial steel and intermediate sectional steel are to remain in the program. In regard to research and development, as well as initiatives in processes and new products, each company retains its independence.

Shutdowns in Conformity With the EEC

The agreement calls for the closing of various production facilities in accordance with the capacities allowed by the EEC Commission. The most important cuts

are the closing of the up-to-date Valfiel Wire Works in Luettich and the Duedclingen Rolling Mill in Luxembourg. The closing of Valfiel also marginally affects the Dutch enterprise Hoogovens and the German Kloeckner Works, both of which have a part in the facility that was built in the 1970's and supply it with semifinished products. Hoogovens had sought to do business with the Belgians, which, according to company statements, would have made possible a profitable continued existence of the wire works. The Belgian Government does not see it that way and hinted that only unclear signals came from the Netherlands at the time that the agreement between Belgium and Luxembourg was looming.

In regard to the wire area, another interested Belgian party is affected, namely Bekaert. The enterprise has previously cooperated closely with CS. Since in part the preconditions for this are not present, there are to be negotiations on having Arbed step in. Included in the agreement is a detailed list of the important investment projects that are to be tackled in the medium term.

In Luettich, there is a desire to push the expansion of cold-rolling area to the point where in the foreseeable future Belgium will have a second efficient processing center in addition to the existing installations in Ghent.

A delineation of the respective spheres of influence has been undertaken in regard to the production of laminated sheet metal, interesting from the market aspect. Neither in Belgium nor in Luxembourg will the Arbed-Sidmar group expand its capacities. In a countermove, CS is offering its Luxembourg-Flemish partner participation in the production of hot-laminated sheet metal at new facilities. It is only a possibility that Sidmar can set up a line in Ghent for lamination using the electrolytic process.

These provisions are politically important because they affect the delicate balance between Flanders and Wallonian. In regard to long-term cooperation, there is a basic desire to work toward reducing redundant employment and excess capacities. To be sure, the cooperation should enjoy a privileged position but not rule out association with other enterprises. Seen in this light, Hoogovens could again be considered.

Cooperation in the commercial area is differentiated by products. It initially affects beams, engine wire and hot-rolled flat products, for here there is a direct exchange between CS and Arbed, but also concrete steel and commercial steel. A special working group is being set up for this purpose. Initially, in this way the respective marketing activities are to be made transparent, and in a later phase a common structure established. Cold-rolled flat and laminated products are initially excluded from commercial integration.

With their cooperative agreement, the concerns hope to form the foundation for a confederation that will make possible the survival of the Belgium-Luxembourg steel industry.

ECONOMIC STRUCTURE, PROBLEMS OF NORTHERN CYPRUS

Zurich NEUE ZUERCHER ZEITUNG in German 9 Feb 84 pp 17-18

[Unattributed article: "The Limited Potential for Development in Northern Cyprus"]

[Excerpt] The "Turkish Republic of Northern Cyprus," as proclaimed nearly 3 months ago by Rauf Denktasch, has not yet been recognized internationally--Ankara excepted--though the unilateral declaration of independence hardly has made any change to the status quo at that island cut in half since 1974. Thus the isolation of Northern Cyprus that has existed up to now, and which has blocked its economic development in many sectors, is likely to continue for the time being.

Unfavorable Starting Situation

The administration, housed in wooden barracks that look temporary on the northern edge of the old Venetian city walls of Nicosia since the "Turkish Federate State of Cyprus" was proclaimed in February 1975, still is not hiding the fact that the standard of living in the northern part of the island is much lower than in the south. In comparing the per capita income figures, which for Northern Cyprus come to an equivalent of 2,750 francs and for Southern Cyprus to 7,600 francs per annum (compared with 2,500 francs for Turkey and 8,000 for Greece), it has to be taken in account, however, that among the Turkish Cypriots the self-provisioning on an agricultural base (not taken into consideration on the official income balance sheet) is likely to be higher than among the Greek Cypriots.

On the other hand, the first five-year plan of Northern Cyprus covering the 1978-1982 period proceeded from that the share of the Turkish Cypriot community in the GNP of the whole island had only been circa 5 percent in 1974, less than one-third of its proportion in population. So it is by no means astonishing that the Turkish Cypriot economy on so low a basis--after the slump became apparent in 1975 and the recorded stagnation of 1976--reached a growth rate of as much as 22 percent in 1977. Despite the targeted public enterprise infrastructure investments, however, the real growth rate during the first five-year plan, at an average of only 2.5 percent, in particular, stayed far below the

envisaged 7 percent because the assumption of a savings quota of 18 percent of the income disposable in private households had turned out to be totally unrealistic. In 1983, nothing has changed in substance in the preconditions for growth so that in terms of the second five-year plan, which goes up to 1988, increasing public and private investments remains the chief concern.

Economic Structure in Imbalance

The main economic problem in Northern Cyprus, however, is that an underdeveloped agrarian sector prevails, neither adequate to feeding the Turkish Cypriots nor helping export much--with the exception of citrus fruit. Although the area north of the Attila line covers 38 percent of the island, the Turkish Cypriots have only one-fourth of the water sources, and the average precipitation--not very abundant in the first place--as well as the reservoir capacities are three times higher in the south than in the north. Acute irrigation problems exist in the potentially fertile plain of Mesaoria, especially between Nicosia and Famagusta. Ocean water desalinization on this level of economic development is much too costly, so that there are even projects to import drinking water from Turkey systematically.

The fact is that the agrarian sector proportion of the active population, which came to more than 50 percent in 1975 and in 1977 still to 45 percent, and lies at 36 percent today, is extremely high for the very reason that the production advance achieved since has hardly produced any higher harvests. The value of the agricultural share in the rising GNP comes to less than 20 percent while according to the five-year plan it should have exceeded 36 percent in 1982.

Massive Trade Balance Deficit

Citrus fruit plantations, as was already alluded to, are the exception in the agrarian sector. Up to 80 percent of them are concentrated north of the Attila line in a relatively small area around Morphou. At a total of circa 160,000 tons, the Turkish Cypriot production of oranges, grapefruits and lemons has been so high in recent years that their export in 1982, for nearly \$ 26 million, made up roughly 65 percent of total exports. If one includes the export of lambs (mainly to Arab countries) and of potatoes and vegetables, the agricultural proportion in total exports of as much as \$ 40 million in 1982 even comes to almost 86 percent. In spite of that, Northern Cyprus has by no means attained self-sufficiency in the primary sector as it had to import in the same year foods, luxury items and beverages at an equivalent of approximately \$ 23 million. This is especially painful to the Turkish Cypriots, particularly with regard to wine, coming almost without exception from Turkey, because nearly 99 percent of the vineyards famous even back in antiquity, part of which belonged to them prior to 1974, are located south of the Attila line. In any case, the beechnut-size Verigo grapes which by a bowdlerization of the English grade designation are called "very good" all over the island, can still be bought today only in an expensive delicatessen store in Kyrenia.

What further encumbers the domestic economy as well as the trade balance is the fact that the secondary sector in Northern Cyprus has a very narrow base. In that area, the active population proportion of 17 percent in 1976 has dropped to 16 percent while its contribution to the GNP in value terms only rose from 25 to 28 percent. Setting aside construction, the employment proportion in an industry more or less of small trades hovers around 10 percent and its production share at most around 15 percent of the GNP. More than a marginal import substitution has hardly been achieved by it, which is revealed by the mere fact that the import of industrial semifabricates and end products (long-lasting consumer goods and investment goods) came to a value of circa \$ 75 million in 1982. If one adds the raw materials and fuels at a clip of circa \$ 25 million, one gets for that year, at total imports of \$ 123 million, a massive trade deficit of \$ 83 million.

Multilayered Diversification Problems

The coverage of imports by exports from Northern Cyprus in terms of value has fluctuated since 1975 between a low of 24 percent in 1976 and a record high of 47 percent in 1980, the average settling at barely 35 percent. A great improvement of that ratio could only be expected if, on the one side, big funds could be invested in the modernization of agriculture and industry and, on the other side, additional export markets could be found. Both aspects are closely tied up with the political isolation, as the diversification of exports runs into considerable difficulties due to the lack of recognition of Northern Cyprus by all states except Turkey while foreign investment funds flow in merely in the form of development aid from Ankara. Thus in 1982, no less than 64 percent of exports went to the "protector" Great Britain, all other EC members getting only 3 percent, but Turkey a good 18 percent, and the Arab countries, circa 14 percent.

Finally, not only in the trading of goods but also in the service area is the development potential of Northern Cyprus perceptibly narrowed, which shows negative effects particularly in tourism. In this regard, the needed infrastructure the Greek Cypriots mainly had made available before 1974, continues to be available, if one discounts the hotel settlement of Famagusta, called Varosha, emptied of people today, a Turkish Cypriot mortgage, as it were, in the form of a guarded no man's land behind barbed wire. After initial difficulties that mainly had to do with the absence of (fled Greek Cypriot) hotel personnel, the Turkish Cypriots booked a record of 113,000 visiting tourists in 1977, to be sure, yet 108,00 of them came from Turkey from where the only connections are being maintained with Northern Cyprus. The drastic cutbacks in the Turks' standard of living had by 1983 cut their travel frequency to Northern Cyprus to less than half of what it had been while the enforced and expensive route via Istanbul or Ankara allowed the number of visitors from other countries to rise to at most 25,000.

Strong Dependence on Turkey

Although that made welcome foreign exchange flow into Northern Cyprus, only 24 percent of the total capacity of 3,700 hotel beds was occupied on the average in 1983, while a 40 percent occupation only would cover costs. That the Turkish Cypriot administration is deliberately engaged in an employment policy

stands to reason. Nor is it astonishing that the unemployment rate in recent years did not climb above 2.7 percent, considering that no less than 45 percent of the active population goes to private and public services--not even counting in the strong presence of troops. At all that, tourism in 1982 brought in a total of an equivalent \$ 61 million, half of which however only came out of foreign exchange because travelers from Turkey can use their own currency, which is also accepted in Northern Cyprus. Taking account of expenditures in the tertiary sector of \$ 45 million, there remained a credit balance of \$ 16 million in 1982 which--together with the trade balance debit referred to--added up to a \$ 67 million revenue balance deficit.

That the payment balance of Northern Cyprus is nonetheless more or less in line has to do with the official development aid from Ankara, which in 1983 came to roughly \$ 36 million, circa one-third of the local budget, as well as with considerable remissions from many Turkish Cypriots working abroad. That the economy of North Cyprus is directly tied to the Turkish pound and, hence, to its inflation-incurred loss in purchasing power vis-a-vis the hard currencies, is something the Turkish Cypriot administration more and more feels to be another constraint on its economic maneuverability. Even before the unilateral declaration of independence there were plans for setting up a central bank with their own currency authority, which might possibly now be realized more rapidly.

Uneconomic Partition

Much, to be sure, will depend on whether new constructive talks are held between the authoritative exponents of the two ethnic communities. Regionally tying the nationalities to the north and the south actually should in time have rather positive effects on forming an island state with two mutually recognized zones, as had been imagined by moderate elements on both sides of the Attila line for years. A political rapprochement on such a bizonal basis undoubtedly would provide certain advantages not only for the Turkish Cypriots but for the Greek Cypriots as well, be it in the matter of border adjustments, where Denktasch keeps emphasizing his readiness for compromise, or in tourism, once the sights on the whole island can be made accessible to the tourists.

How uneconomical the artificial division of Cyprus is in practice can be illustrated by the example that the copper ore from the mines in the Troodos mountains was shipped before 1974 via a fully automated conveyer plant at the northern coast from the Karavostasi port. Today the place is called Gemikonagi, the giant plant is abandoned and is rusting away, and the ore is taken by trucks via partly impassible roads to the southern coast, to the remote port of Limassol. Something similar applies to the "old" international airport of Nicosia, located precisely on the demarkation line and therefore not used by either side. So one must hope that enough common interests will bring the Greek Cypriots and the Turkish Cypriots to the negotiating table as long as their leaders can still communicate in one and the same language.

FIGURES ON MERCHANT FLEET, TRANSPORTATION SECTOR

Nicosia KHARAVGI in Greek 14 Dec 83 p 8

[Text] The number of ships enrolled in the register of merchant shipping of Cyprus has reached 700, of which 200 are overage (37 percent). The tonnage of the Cypriot vessels increased by 1.5 million tons. While last year we had 2.5 million tons, we now have reached 4 million and this is due to the fact that large vessels, especially tankers, have been enrolled in the merchant shipping register of Cyprus.

The above data were revealed by the minister of Communications and Works, Mr. Mavrelis, in his report to the Finance and Budget Committee of the House of Representatives for the 1984 budget. Mr. Mavrelis reported that there are 100 unemployed Cypriot merchant seamen and that the Nautical School will begin operations in 1984 in Limassol in the area near the old harbor.

With regard to air traffic, the minister of Communications stated that 1,554,000 passengers are expected in 1984 (arrivals, departures and in transit) through the Larnaca airport and approximately 197,000 through the Paphos airport.

With regard to the new Nicosia-Limassol highway, Mr. Mavrelis stated that it is expected to be completed next April to June and its final cost will reach 14 million pounds in addition to 9.7 million pounds received by XEKE [Greek road construction firm, no extension available] for a total of 23.7 million pounds.

Mr. Mavrelis also said that the plans for the Dalion bypass have been completed. The total cost will be in the neighborhood of 300,000 pounds.

The establishment of vehicle inspection offices in all the cities of Cyprus is included in the framework of the 3rd Plan for Highway Development and the necessary locations have already been determined.

The work for the operation of the Cyprus Medieval Museum in the old Limassol fortress is at an advanced stage and it is hoped that it will be opened to the public by the end of the year.

The Khatzigeorgaki Kornessiou house, a new exhibit area, is being created to house the more recent cultural heritage of Cyprus.

BRIEFS

EC FINANCIAL AID DETAILED--In its fourth disbursement of funds in 1983, the EC regional fund gave Greenland 17.5 million kroner to support 28 projects involving district heating and electricity generation. In addition, the regional fund provided 20 million kroner for continued studies on the use of hydroelectric power for small villages in Greenland. Thus, the fund provided a total of 176.3 million kroner in subsidies to Greenland. Since the fund was initiated in 1975, it has allocated 822 million kroner to Denmark, including 661 million kroner for projects in Greenland. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 16 Jan 84 Sect III p 2] 9336

CSO: 3613/87

POSITIONS HARDEN ON DEMAND FOR SHORTER WORK WEEK

DGB Prestige at Stake

Hamburg DIE ZEIT in German 6 Jan 84 p 1

[Article by Michael Jungblut: "Politics With the Steamroller. Working Time: Employers and Employed Are Getting Tied Up in a Battle for Principles"]

[Text] After a verbal barrage lasting several months, things are now getting serious: By the end of February employers and unions will have to come to an agreement at the negotiation table concerning the future configuration of the working time. That is when the obligation to keep the peace comes to an end in the metal industry. After that the unions will have to conduct the battle with the big club: with the means of the labor struggle. Then there is the threat of an escalation, whose consequences can hardly be estimated.

Perhaps some functionaries are having second thoughts when they contemplate this. But now they have become victims of their own radical rhetoric. Whoever in the beginning reduces the search for a way out of the employment crisis, which is distressing all, to a "question of power" between the evil and the good forces of this society, soon after declares that there is no alternative to the 35-hour week, and finally for months prepares a mass organization for the really great test of strength, can in the end hardly change the course, even if he recognizes where this leads.

But the employers of the metal industry, too, are victims of their own obstinacy. Had they developed counter-proposals sooner, the unions would perhaps not have committed themselves so one-sidedly. Now both sides find themselves in that "completely barricaded position", against which the former boss of the Metalworkers Union, Eugen Loderer, urgently warned them in his last days in office. The unions have made the 35-hour week into a prestige question; Gesamtmetall [General Metal], as the strong spearhead of all German employers' associations, on the other hand, does not want to yield an inch of ground on this point. In wage negotiations there is always some latitude for compromises between demand and offer. This time it is completely missing. The principle is at issue: Does the 40-hour week remain the normal working time or not?

Hasty Number Games?

But perhaps it will still be possible to transform this very German dispute over principles into a fruitful dialogue in due time. If not, we are threatened by a social conflict of a kind which the Federal Republic has not experienced for more than a quarter of a century. At that time, when the Metalworkers Union, in a strike lasting 16 weeks, gained the continuation of wage payments for sick employees through force, the culmination was a genuinely social advance from which millions of people profit today. This time a "labor struggle of perhaps inconceivable severity" as threatened by the Metalworkers Union would have to have consequences from which millions of people would suffer for years afterwards. The Metalworkers Union praises the 35-hour week as the simple solution for overcoming unemployment. With the aid of pencil and paper it is, indeed, easy to calculate that a reduction of the working week by 5 hours theoretically creates employment possibilities for more than 2 million people. Indeed, many enterprises would probably be forced to hire additional staff members if they want to maintain their output. But that kind of calculation completely neglects the organizational problems and the short-term and long-term consequences. And this is what is important, not theoretical number games.

The Recovery Would Be Gone

At least in one point there is agreement between the advocates and the opponents of a shorter working week: The smaller the steps, the slighter the effects on the labor market. A demand for additional staff members, which could not be balanced through rationalization and increased output, would develop only if the shortening of the working week length would be carried out in one big step.

In that case, however, wage costs would increase to an extent that must make everyone shudder who carries responsibility in an enterprise. According to the calculation of the employers, the transition to a 35-hour week would correspond to a wage increase by 18 percent. The unions, on the other hand, assert that the actual increase in costs would hardly be more than 6 percent. In this case, too, the truth is likely to be in the middle. That would still be 12 percent--to which the wage increase for this year. The Metalworkers Union is demanding an inflation adjustment of 3.3 percent. Not even in the times of a galloping boom did we treat ourselves to that kind of an increase in wage costs. To want to push it through today would be crazy. The last thing that would result from this would be more employment opportunities.

If the Metalworkers Union with its auxiliary troops should stick obstinately to the 35-hour week, we would, however, experience a labor struggle that could extend over many weeks. All hope for an economic recovery in the year 1984 would then have to be buried--and thus also the hope of many unemployed at last to find a job again. Beyond this, however, many would also lose their employment who thus far have barely managed to escape unemployment. In a country in which the high wage level already now is a significant cause of unemployment, such a sudden cost increase would have to exacerbate the employment crisis dramatically.

The formula "Reduction of Working Time With Full Compensatory Wage Adjustment", moreover, would quickly prove to be a fraud. To the extent to which the higher wage costs cannot be parried by means of increasing output (in which case new employment becomes superfluous), they necessarily lead to price increases. In other words: Inflation in that case takes care of the lowering of real wages.

During the past few months, a multitude of further weighty objections to a "reduction of working time by the steamroller" have been advanced--economic, technical and humanitarian. The most important counter-argument, to be sure, is frequently overlooked in the quarrel over details: The idea of the just distribution of the allegedly scarce employment with the aid of a general reduction of the working time comes from the imagination of the dirigists and advocates of a planned economy, who thus far have failed everywhere in the world.

Our country owes its phenomenal economic rise after the war to the courageous decision to get rid of the allocation economy. It is already grotesque that precisely here the temptation of dirigisme becomes overwhelming, as soon as a good-size problem happens to turn up. Yet not only a glance across our borders, but also our own sad experience--for example with the mining industry or agriculture--should have taught us sufficiently that the dirigists, with ugly regularity, only exacerbate the problems which they attempt to solve.

A Success As Never Before

Those responsible in the unions should make use of the next few weeks so as to make possible a fruitful dialog with the employers after all. This should actually be easy for them alone because of the fact that, long before the beginning of the first negotiations, they have scored a victory as never before in a wage negotiation round: Without the threat of the 35-hour week, the employees would never have declared themselves willing to submit the up to now inflexible working time regulations to discussion and to negotiate about flexible solutions.

This would then mean, for example: More possibilities for those who are seeking only part-time employment. It could also mean that older employees receive additional free days or that that staff members can choose individually whether they want to work 5, 6, or 8 hours a day, but perhaps also only every second week or during 6 months in the winter. In other cases it may make sense to determine only the number of working hours per month or per year, and then--depending on the need--to agree when they are to be performed.

More flexibility would not only be a big step toward more personal freedom and quality of life at the job. There is also every indication that the chance to arrange the working time on a more individual basis would be used by millions of employed persons to acquire more free days for themselves--and, in fact, with the conscious and voluntary renunciation of income. Such a market economy solution--i. e., one oriented by the needs and desires of the individual--would, therefore, have a far greater positive effect for the labor market than any compulsory reduction of working time for all.

In the coming negotiations, the unions should see to it that the employers redeem their promise fairly. That would be a breakthrough in the labor market comparable only to Ludwig Erhard's courageous decision in 1948 to do away with the controlled in the commodity markets.

How cunning, if the strategists of the unions, with their demand for the 35-hour week, wanted to achieve precisely this. The cunning of irrationality? If the Metalworkers Union from the very beginning had demanded flexible working schedules, the answer initially would certainly have been "No". It would then have taken tedious negotiations to achieve what is now being offered to the employees on a silver platter: An advance which would even pushed into the background the success of the unions in 1957. The Metalworkers Union would not merely have to take the opportunity.

Metalworkers Court Union Solidarity

Duesseldorf WIRTSCHAFTSWOCHE in German 6 Jan 84 pp 19-20

[Excerpts] The Metalworkers Union is not yet sufficiently armed for the battle for the shortening of the working time. But the metal workers are hoping for the support of their sister organizations.

The contrasts are too crass: The employers refuse even to take up the Metalworkers Union's demand for the introduction of the 35-hour week. The Metalworkers Union equally rigorously rejects the offer of the national association of the employers' associations of the metal industry (Gesamtmetall)--a package of early retirement regulations, part-time work and flexible working time.

In addition to the bungled quarrel over the issue of working time, the wage and salary round in the metal industry in mid-January. In the individual regions the Metalworkers Union is demanding between 3 and 3.5 percent. Since the costs of the reduction in working time are to be settled up with the wage increase, only a common result is possible. Both negotiations, therefore, are to be joined in a good many bezirks already in the next round.

Only with regional negotiations, through the feedback to the respective wage rate commissions and thus also to the base in the enterprises can the mobilization be attained which at the beginning of the quarrell is still in bad shape. Experienced wage rate fighters in the union camp are getting their courage up with memories of old times. In the battle for the 40-hour working week, too, it is said, the enthusiasm of the base grew only with the dispute.

But this year the Metalworkers Union, which once more has taken over the leadership in the wage negotiations, faces an uphill struggle as rarely before. With ever new surveys, the employers are documenting the posture of rejection on the part of the employees in regard to the demand of their union. The Metalworkers Union finds it difficult to disprove such results. To be sure, from a survey of the Bad Godesberg Institute for Applied Social Science (Infas), it infers the desire of the employees for more leisure time. But the

formulation of the question by the Infas public opinion pollsters--"How many hours would you like to work if this decision were up to you alone?--had little in common with the reality of the wage scale.

The Metalworkers Union functionaries expect "considerable atmospheric disturbances" as a result of the repeated warning by Federal Chancellor Helmut Kohl of the consequences of the 35-hour week for the national economy. While the chancellor in nearly all questions of current politics refrains from having an opinion of his own, so the complaint goes, he is conducting the business of the union opponents in the question of the reduction of working time on a massive basis.

Both sides are already arming for the strike. While industry is filling the stocks of merchandise, the Metalworkers Union is attempting to comprehend these in order to identify weak spots. Rumors that the Metalworkers Union will financially bolster the small, but publicity-effective Printing and Paper Industry Union, its bellicose comrade-in-arms, and send into the fight as a proxy, are not given credence even among members of Gesamtmetall. After all, the laurels belong to the victor--the more so, the more unlikely the victory.

The remaining comrades-in-arms keep themselves protected in the battle for the 35-hour week. Thus the Trade, Banking and Insurance Union, according to its executive committee member Lorenz Schwegler, has no ambition to be the leader in the wage rate issue. Moreover, the word is that the linking of the salary round with the working time round has not yet been fully discussed in the organization. The German Postal Union, to be sure, has committed itself to the 35-hour week, but must show consideration for the sister union, the Public Service, Transportation and Communications Union. A solo effort by the postal workers is unthinkable.

Nevertheless, Federal Minister of Labor Norbert Blum, with his model of early retirement regulation, which the Metalworkers Union interprets as an attempt to split the union camp, has once again closed the ranks of the unions. This regulation is also rejected as all too paltry by the advocates of a reduction of the lifelong working time within the German Labor Union Federation (DGB), internally decried as the Gang of Five. For this reason there will be no negotiations on early retirement in the wage negotiation round of 1984. The Food Production and Catering Union (NGG), whose chairman Guenter Doeding, leads the association of the Five, however, is intent upon entering this year's negotiations even without a percentage wage demand. The Chemicals, Paper and Ceramics Union, likewise a member of the Gang of Five, wants to begin a discussion of the limitation of overtime this year, but otherwise conduct a normal wage round. But all unions have assured the Metalworkers Union of their solidarity. The Food Production and Catering Union even intends to place its strike fund at the disposal of the metalworkers. However, the Metalworkers Union is pinning particular hope on the Public Service, Transportation and Communications Union. Officially this union has not yet committed itself, but its chairperson, Monika Wulf-Mathies, makes her preference for the 35-hour week quite clear. But she is unable to say how she conceives of the promised support of the Metalworkers Union in the fight for this common

goal: The question of whether warning strikes of the garbage men are conceivable remains unanswered.

SPD Assures Support

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 19 Jan 84 p 4

[Excerpts] Ho. Bonn, 18 January. The SPD Bundestag Fraktion [parliamentary party], at its first session in the new year, dealt primarily with topics of economic policy, in particular with the reduction of working time. After an extensive discussion, in which the chairman of the German Labor Union Federation (DGB), Breit, took part, a resolution was unanimously passed by the Fraktion, in which the SPD emphatically supports the demand of the unions for a reduction of working time. Without a reduction of working time, the resolution states, the mass unemployment cannot be effectively combatted.

Previously the Fraktion chairman, Vogel, had made it clear to the deputies that in the coming weeks topics of economic policy would have to move into the forefront of the work of the Fraktion. In so doing, he said, the main issues are the conquest of unemployment, as well as social justice and the defense of the welfare state. With a view to the relationship between the SPD and the unions, Vogel also attempted to make clear to the deputies that the SPD cannot regard the reduction of working time as a kind of "cure for all".

Addressing the Bonn SPD-Fraktion, the DGB-chairman Breit expressed the view that the union demand for a reduction of the working time, in particular the introduction of the 35-hour week, does not everywhere meet with "enthusiastic agreement". He said that it is all the more welcome that in the coming weeks the SPD, within the framework of a "campaign", plans to inform the public in a comprehensive manner about possibilities of working time reductions. The support by the SPD, he indicated, is greatly appreciated by the unions; everything points to the fact that the unions are facing a "very tough dispute".

No DGB Split Foreseen

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 13 Jan 84 p 11

[Text] Vr. Frankfurt, 12 January. In circles of the labor union federation people do not perceive a realistic possibility that, in the question of the reduction of working time, there will be a "split clear across the organization". This formulation had recently been expressed by Lothar Zimmermann, member of the DGB executive committee, in Berlin. In so doing, he had created the impression that a fundamental disagreement might develop between the unions which are stubbornly strive for a reduction in the working week like the Metalworkers Union or the Printing and Paper Union and five other organizations, which are pursuing the goal of a reduction in the lifelong working time.

This conjecture seemed to be justified in so far as it came to harsh, in part personally insulting, disputes between representatives of these two directions in the sessions of the DGB executive committee in the fall of last year. Representatives of the unions which aspired to a reduction in the life-long working time had, among other things, been labeled as "splitters".

In the meantime an understanding had been reached in the DGB executive committee toward the end of the past year. According to it, every area was to pursue the method which seemed appropriate to it in the reduction of the working time. For this reason, the renewed formulation by Zimmermann of a "split clear across the unions" could give the impression that the dispute erupted anew. This, however, is denied by the German Labor Union Federation in Duesseldorf. Zimmermann, it is said, wants to express his concern for the eventuality that the Metalworkers Union fails with respect to the 35-hour week. He is thinking, above all, of the Weimar Republic, when a growing number of unemployed decisively limited the unions' ability to act.

Evidently then the version that all forms of working time reduction are possible finally prevailed. Once again there is talk about solidarity, but it is also being said clearly that people in the group of the "Five" are not contemplating letting themselves be pulled into purely political disputes by people like Detlev Henschel of the Printing and Paper Union.

The DGB now also regards as helpful the position of SPD general secretary, Helmut Glotz, who recently expressly recommended all forms of working time reduction. In some unions of the German Labor Union Federation, this is perceived as a clear moving away from the 35-hour week by the SPD, but above all as an exhortation of the unions not to end up quarrelling over the question of working time reduction and to refrain from exaggerations. Evidently, the representatives of the five unions which aspire to a reduction of the working week, especially the chairman of the Chemicals Union, Hermann Rappe, who is especially highly regarded in the SPD-Fraktion, intervened in the executive committee of the party and insisted on an SPD position which takes account of the position of all unions. Anyhow, for some time right-wing oriented union members had pointed to increasing difficulties in reaching an understanding with the SPD.

Alternatives Found in Practice

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 18 Jan 84 p 12

[Article by Hugo Mueller-Vogg: "The 40-Hour Week Has Long Ceased To Be a Dogma. Hugo Mueller-Vogg Reports on Numerous Examples for Shorter, But Also Longer Work Weeks"]

[Text] Duesseldorf, in January. The big breakthrough to the 35-hour week is supposed to take place through a collective wage agreement. For this reason, the Metalworkers Union and the other DGB associations, which have committed themselves to the 35-hour week "with full wage compensation", reject enterprise-level agreements for the reduction of working time for organizational

reasons alone. At the same time, the same unions like to refer to examples from the enterprise practice when they are searching for reasons for their wage rate demands.

Thus, the union paper METALL reports that several branches of the Siemens AG are offering their staff members shorter working weeks. METALL even celebrates this example as "entrance into the 32-hour week". Indeed, the Munich Branch of Siemens AG has offered employment contracts for 32 hours per week to 142 apprentices, who are completing their training on 31 January. The same offer was made to the approximately 1,000 mechanics.

Thirty-two Hours at Siemens

However: Wages are paid only for 32 hours--which the Metalworkers Union stigmatizes as "a significant error". Nevertheless, 137 apprentices and 38 young skilled workers with limited employment contracts accepted this offer, among the permanent staff, on the other hand, it did not find a significant echo. This does not divert the company management from suggesting a "more flexible arrangement" of the working time to its firms and branches, depending respectively on the situation of the enterprise. The 32-hour week, therefore, will probably also be offered in other branches during the next few weeks. To be sure, the people at Siemens, too, know that the willingness for an individual shortening of the work week without wage compensation is greater among female staff members than among heads of families who are the sole source of income.

Ready for Delivery Around the Clock

The necessity of being ready for delivery around the clock has likewise induced the management of the Gambro Dialysatoren [Gambro Dialyzer] KG in Hechingen to reflect on a departure from the obsolete working time scheme. The 530-man enterprise, which supplies artificial kidneys, therefore, works 7 days in 3 shifts. The special feature: The night shift is always manned by the same team, because--for reasons of health--the introduction of rotating shifts during the day and at night was to be avoided. The permanent night shift employees are paid for 8 hours of work; added to this are the night extra-pay as per the collective wage agreement. But they have to work only from 11 p.m. to 6 a.m., that is only 7 hours.

Here, in short, the 35-hour week has been introduced with full wage compensation--but only for the permanent night shift. What is especially interesting: 70 percent of the night shift workers applied from the outside for the newly created jobs. And one other thing the personnel director regards as worth mentioning: Illness-related absentee periods in the permanent night shifts turned out to be somewhat lower than in the day rotating shifts in the same department.

Flexible working time was introduced by the middle-class electronics enterprise Rafi in Ravensburg already in 1981. The 900 staff members were offered the reduction of the daily working time to 4.5 or 6 hours, with correspondingly less income. Furthermore, there is the possibility by choice to work 3 or 4 days. The employees' council even concluded enterprise agreements regarding this. To date, 50 staff members have correspondingly reduced their working week. The management anticipates 50 additional staff members interested in this. Then they intend to hire 20 new employees.

ECONOMICS MINISTER OPTIMISTIC FOR 1984

Athens I KATHIMERINI in Greece 30 Dec 83 pp 1, 3

[Text] Optimistic, as usual, Minister of Finance Ger. Arsenis forecasted on 29 December that 1984 will not be simply a year of economic recovery, but will also be a year for reorganizing the economy. To be explicit, he said that 1984 will be a year for growth in production, reduced inflation, a drop in unemployment, and, at the same time, within 1984 we will reduce or contain the deficits in the public sector and in the balance of payments.

In any case, indicative of how much the government believes in the prospect of improvement is that in 1984 it will continue import restrictions (quotas) on a series of manufactured products (clothing, shoes, athletic items, toys, and so forth). There had been a special agreement with the EEC for imposing these restrictions, and the agreement terminates 31 December 1983. Despite the fact, however, that there has been no discussion yet between the government and the EEC commission on renewing the agreement, Mr Arsenis let it be understood that the restrictions will be continued, something which means that a new tangle will be created in our relations with the EEC.

Minister of Finance Ger. Arsenis described the optimistic prospects for the course of the economy within the coming year in a press conference with foreign correspondents. Specifically, the minister said:

The Gross National Product (AEP) will go up 1.5 percent in 1984, while in 1983 it went up .4 percent.

Inflation will fall to 18 percent as opposed to 20.3 percent in 1983, and prices will be controlled effectively.

The deficit in the balance of payments will be held at 1983 levels, in other words at under 2 billion dollars.

Unemployment will be reduced by carrying out special programs which will employ the unemployed.

The financial deficit as a percentage of the GNP will be reduced.

There is no question in 1984 of a devaluation of the drachma happening all at once as occurred on 9 January 1983.

In greater detail, Mr Ger. Arsenis mentioned that the economic policy which was applied in 1983 achieved its objectives and, combined with the international recovery, is creating the conditions for the recovery of the Greek economy in 1984.

Mr Arsenis emphasized that the significant thing among the developments of 1983 is that the increase in the GNP is due almost exclusively to the recovery in industrial production, which will be continued more strongly in 1984. This fact, combined with the expected growth in capital investments, in both the public and private sector, along with the anticipated growth in exports, is the basis for the opinion that the GNP will grow by 1.5 percent, while Mr Arsenis does not personally exclude the possibility of an even greater rise.

On the subject of inflation, the minister said that during 1983 the basic sources feeding it were imported inflation due to the devaluation of the drachma and the rise of the dollar, and the oligopolistic conditions in the market which kept leading to high profits in commerce.

Re the balance of payments, Mr Ger. Arsenis reported that the deficit of 2.45 billion dollars in 1981 fell to 1.885 billion in 1982 and 1.9 billion in 1983. The prospects for 1984 are that the deficit will fluctuate around the same levels and in any case will not go beyond 2 billion dollars. Typical in this sector in 1983 is that the deficit was not covered by increasing borrowing to balance the budget, but by a significant growth in the inflow of private capital. Borrowing, on the contrary, was reduced from 1.784 billion dollars in 1982 to 1.45 billion in 1983.

If these improvements in the GNP, inflation, and the balance of payments are combined with the decision of the government to reduce the deficits in the budget and public enterprises, then in 1984 we will have not simply a recovery but also a reorganization of the economy.

Mr Arsenis added that:

1. The productivity of the economy will increase due to a rise in production and new capital investments, but also because of the socialization of the public enterprises and organizations which at last will stop operating with obsolete methods and will conform to a new development model.
2. The government is optimistic that the EEC will accept the memorandum.
3. In 1984 the government will continue the foreign exchange policy which it has been following since August 1983, which determines the parity of the drachma so as to support the competitiveness of its products and restrict imported inflation.
4. The quotas on the imports of certain products which have been imposed this year will be continued until a change in what is in force is announced. In any case the question of continuing the restrictions has not been discussed yet between the government and the EEC commission.

Mr Ger. Arsenis also reported on the OECD's opinion that unemployment will increase in 1984 and said that the international organization came to this conclusion through macroeconomic criteria. He added, however, that in 1984 the government will put special programs into practice for employing the unemployed, something which will lead to a reduction in unemployment. These programs will be discussed with the GSEE [Greek General Confederation of Labor] during January.

Finally, Mr Arsenis mentioned that as a member of the four-member ministerial committee, created by a decision of the ministerial council, he will study the dossiers for those with high salaries in all the organizations and enterprises of the public sector, and he already has the DEI [Public Power Corporation] dossier along with those for other organizations in his hands.

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GOVERNMENT-LABOR-MANAGEMENT ACCORD: RESULTS, PROSPECTS

Rome RASSEGNA SINDACALE in Italian 2 Dec 83 pp 40-42

[Article by Anna Avitabile: "On the Eve of the Review"]

[Text] "The escalator clause is on the table and won't escape untouched.... No one can get away with saying, 'we've already given....'" In this way Minister of Labor Gianni De Michelis, addressing the union, anticipated the government's intentions when in early December it will initiate the review of the agreement on the cost of labor. "This is because to respect the agreement means to implement it--and the agreement says that the rate of inflation and the cost of labor should increase, in 1984, by not more than 10 percent."

When we draw up a balance sheet for 1983, it is apparent that many things written in the agreement have not taken place and other--different--things did take place because the actual course of events has been different from the forecasts, starting with the rate of inflation. For this reason, in our attempt to construct an overview of the issues that are "on the table" with respect to the clause dealing with the cost of labor, we shall begin with an analysis of what has taken place in 1983 and what is foreseen for 1984.

Results for 1983 and Forecasts for 1984

The actual rate of inflation in 1983 will be recorded at approximately 15 percent and will therefore be 2 percentage points over the projected rate. This is the first item of reference--in the agreement--that has proved wrong: the first, that is to say, of those items which are used as a basis for establishing contractual wage increases.

Another commitment (undertaken directly by the government but not kept) relates to the dynamics of the official scale of administered prices, the increase in which has been well over the 13 percent limit and has been a decisive factor in causing the breakthrough in the projected ceiling on inflation. In addition to the aforementioned price scale, the prices for services in general--and the profit margins that the distributive sector has succeeded in ensuring to itself--have helped to keep the rate of inflation high. Because of the pressure of foreign competition, the dynamics of the prices for industrial products (which have risen an average of 10 percent, with wholesale prices recording an average of 6.6 percent) was more restrained, while an actual reduction was recorded in prices (stated in monetary terms) for imported raw and semiprocessed materials.

Within this context, the cost of labor in industry increased by approximately 16 percent, representing a breakthrough of 3 percentage points in the projected ceiling on inflation. Two factors contributed to this result, despite the controls on social costs: the increase in the share contributed by the employers, and (to a lesser extent) the indexing of the reserve funds that was brought about by the new system for the settlement of accounts. Moreover, the decline in industrial production has resulted in an even more sustained dynamic impact of the cost of labor per unit of production, which cost increased in 1983 by 17.5 percent according to data from the Bank of Italy.

On the other hand, even though gross wages increased more than the projection they will probably remain unchanged--in real terms--for 1983 as a whole, according to the cautious estimates of the Bank of Italy. The estimates of the IRES [Institute for Statistical Research] of the CGIL [Italian General Confederation of Labor] are more pessimistic; they indicate that for the year 1983 gross wages and net wages alike in the metalworking sector will probably have lost purchasing power, declining in real terms by 1.2 percent and 1.3 percent respectively.

The estimates for 1984 are even worse, however. The actual rate of inflation (at least according to the most optimistic estimates) is expected to rise to around 12 or 12.5 percent--more than 2 percentage points above the projected ceiling. The "toned down" escalator, on the other hand, is expected gradually to lose the capacity to recoup, as more and more time elapses since abandonment of the previous system.

Moreover, the contractual increases established for 1984 no longer have the capacity (unlike those for the previous year) to restore to the wage scale what was lost as a consequence of the "toning down" of the escalator.

In the face of an actual inflation rate of around 12 percent, gross wages per employee in industry are accordingly expected to increase by approximately 10 percent--with a consequent loss of approximately 2 percentage points in purchasing power. The decrease in the real value of net wages is expected to be even greater, as a result--among other things--of the new tax drain that will probably develop in 1984 if there is no change in the system of withholding the personal tax on employee income.

Unresolved Questions

In drawing up the balance sheet for the results obtained from the 22 January agreement with respect to the dynamics of the cost of labor, we see that two questions remain unresolved. In the first place, the actual rate of inflation has proved to be greater than the projected rate. In the second place, the cost of labor has increased not only more than the projected rate of inflation but even more than the actual rate. In such a context, moreover, gross wages (and net wages even more so) are unable to maintain their real value.

The position of the government--as summed up in De Michelis' statements--is based on /only one/ [in boldface] of the "promises" that were not kept, that

is to say, on the failed attempt to keep the increase in the cost of labor in line with the projected thresholds of the rate of inflation. On that basis, the government would appear to be desirous of bringing the content of the agreement up for discussion again, beginning with the escalator system.

Confindustria [General Confederation of Italian Industry], for its part, is persisting in its extremist position; it asserts that the decision in favor of the union's interpretation of the controversy regarding the decimals makes it necessary to review the entire section that pertains to the cost of labor.

Proposals of the Union as a Whole

What about the union's plans? First and foremost, at the December review it plans to discuss all aspects of the agreement, ranging from the government's lack of observance of the commitments it undertook concerning price policy to its failure to intervene with the aim of reforming the labor market. Moreover, the union proposes to determine whether the conditions exist for implementation of the compensatory measures authorized for application in the event of a divergence between the actual rate of inflation and the projected rate, said implementation to take the form of an equalizing adjustment at year's end. Lastly, it will ask the government to find a way to avoid creation of a new tax drain during 1984: for example, by means of a revaluation of the tax withholding system together with the corresponding brackets, the amounts for which were established at the time the agreement was drafted using the projected rates of inflation as reference points.

In addition to these items (which relate primarily to the "letter" of the agreement) there is the problem of the discrepancy between the projected rate of inflation and the actual rate. In this connection, there is a tendency in several quarters to accept--more or less openly--an interpretation according to which this discrepancy is due exclusively to the dynamics of the cost of labor and to the escalator. The union maintains that this is an inconclusive polemic that does not help to solve the nation's real problems. On the contrary--it adds--the government must put into effect a policy that relates to all forms of income rather than just to employee income, through the medium of withholding; a policy of containment and control of prices and other charges; and intervention of a structural type designed to reduce the extent of profits and increase the competitiveness of the system of production.

Finally, the labor movement is convinced that there are at least two unresolved problems with the 22 January agreement: a) the discrepancy--not completely corrected--between the curve for the cost of labor and the curve for wages (both gross and net), and b) the necessity for increasing compensatory wage differentials by means of suitable contractual instruments. It is not believed, however, that the December review is the appropriate forum for dealing with these problems. Only the UIL [Italian Union of Labor], at its Organizational Conference, has shown itself to be prepared to initiate this type of discussion, with the proviso however that the union representatives go to the review table with a common set of proposals.

The Emergency, According to the Three Confederations

Inasmuch as at the time of writing the present article no such unitary synthesis has yet been achieved, the proposals of the union to carry out a "crash" anti-inflation strategy with respect to the cost of labor (while keeping in place the necessary simultaneous intervention with respect to all other types of earned and unearned income) are based on the hypothesis of an emergency policy for 1984 that will not prejudice wage reform, which is an operation that must be carried out at times and places that are different from those of the December review.

The hypothesis on the basis of which the CISL [Italian Confederation of Labor Unions] has to date conducted its activities hinges on the prestablishment--without any equalizing adjustment at year's end--of the contingency points that would be put into effect for a temporary period, as for example 1984. In this way, the sharp increases in the escalator would be linked--as regards both size and timing--to the projected rate of inflation rather than to the actual rate. The divergence between these two curves (all other conditions being equal) would tend to be reduced, but to the extent this divergence exists it produces a weakening of the capacity of the escalator itself to perform its function.

More than one proposal has been put forward to date by the UIL and--as we have said--these proposals are also based on the hypothesis of a simultaneous modification of the escalator and of the wage structure. Of these proposals, the UIL appears to favor either a model according to which the contingency point is differentiated into two values, one for average-to-low wages and the other for the higher wages, or else a model which would index completely one part of a wage, but this part would be less than the part (760,000 lire gross, at the present time) covered under the current system. The latter model--whereby there is a reduction in the capacity for restoration of the real value of wages--presupposes the adoption of shorter-term labor contracts, with a relatively larger share of the total wage to be contracted for directly with the individual company in question.

The CGIL, on the other hand, excludes every model that changes the escalator, and proposes to discuss with the government--if anything--the adoption of emergency measures capable of interrupting, for a prestablished period, the vicious circle that results from any form of indexing. The intent is to safeguard in this way the function of the escalator--that is to say, to provide complete protection for a "basic slice" of wages that is equal for everyone and corresponds to a minimum "slice" analogous to the French institution known as the SMIC [Interprofessional Minimum Wage]. As can be seen, the hypotheses on the basis of which the three confederations operate do have a common foundation even though they are an articulated whole: a foundation, it is believed, on which a unitary synthesis can be constructed.

GOVERNMENT PLANS FOR BAILING OUT MONTEDISON IN PIEDMONT

Rome L'ESPRESSO in Italian 25 Dec 83 pp 141-146

[Article by Tullio Fazzolari: "The Hospital Is Sick"]

[Text] The government is about to unload a new dead weight on public finances: Montedison of Pallanza. A 150 billion [lire] adventure. And with the reform there will be welfare assistance to the south and to the north...

Rome. It will be an adventure. And it will cost Italian state finances at least 150 billion lire. The GEPI will need that much to save the plants Montedison wishes to close at Pallanza, in Piedmont. But in Italy everything is created and nothing is destroyed. Therefore the government has already decided that Pallanza will not be closed. And, to the great joy of Montedison, the trade unions, and the local agencies of Piedmont, it has let it be known that it will shoulder the cost. Rather, to be more exact, that it will unload it on one of its giant vehicles appropriate to the objective: the GEPI, the public salvage finance agency controlled by IMI with the participation of IRI [Institute for Industrial Reconstruction], ENI [National Hydrocarbon Agency] and EFIM.

The government is preparing things in grand style for the occasion. The GEPI must be reformed and authorized to intervene in northern Italy, which has been barred to GEPI for 50 years now, to permit salvaging the Pallanza Montedison. And if the reform should be delayed, a solution is ready: a decree law to give GEPI the financial covering, even in 1984, to maintain the 8,000 unemployed workers in the south, and at the same time entrusting it with the fate of the 2,000 and more employees of Pallanza.

The former Montedison plant, then, would be saved by imperial decree. But not for long. It would mean a guaranteed wage for the Pallanza workers, but not the same as for a regular position, in the long run. Fibers, in particular nylon, are produced in their plant, but they are by now inferior in cost and technology to foreign competition. Massive investments would be needed (about 100 billion) in order to reenter the market, and in any event, many jobs would be eliminated. And then, capable managers would be needed with qualifications in the fibers sector. Hence at best it would be logical for ENI to save Pallanza, since it already has experience in fibers and has received 700 billion from the state to absorb other Montedison ruins.

But ENI, with enough wreckage already, turned a deaf ear. To such an extent that the government even had the idea of making the Pallanza zone one of the "crisis areas." Given its dimensions, more than anything else it would have been a very small locality made to measure by Montedison: the idea was put aside. Thus, there was only one way to save Pallanza: the GEPI. Managers of that financial agency know little about fibers and their markets, and will not find private partners in a position to help them. "To close Pallanza would have been unjust," Andrea Margheri, a PCI senator and economic expert observed, "but to save it this way, with the GEPI intervention, is an equally serious mistake."

There now are countless objections: salvaging the Montedison plant is a social welfare operation. And in this, at least, the GEPI can boast of experience for over a decade. Since 1971, the year of its founding, the public finance agency has been used for salvaging hopeless factories which no entrepreneur would touch. In fact, it serves as a social shock absorber almost like the Wage Integration Fund.

GEPI keeps its employees on hold with the hope of reemploying them some way. Giacomo Caffarelli, PCI economic official, said, "In the end, the tasks assigned it were too extensive and too onerous for all to be resolved." The welfare concept triumphed when laws 684 and 784 created IPO GEPI alongside of GEPI. IPO means Initiatives For Employment. The government takes the initiative, while GEPI takes 13,000 unemployed, almost all in the south. They are refugees from factories that ultimately must close. SNIA is getting rid of 1,050 employees at Rieti and 1,000 at Villacitro in Sardinia (on the Wage Integration Fund since the factory opened). Lining up after Montedison is a myriad of other plants finally out of the market, for example, a ready-to-wear clothing factory in Lecce, whose employees have been on the Wage Integration Fund for 5 years.

It is actually an immense army which GEPI should have been able to recycle in a few years, by 31 December 1983, to be exact. With pensions and other initiatives, the agency succeeded by only one-third. And, at the time of reckoning, 8,000 persons remain to be placed in jobs. GEPI needs a postponement, more time and more money. And sooner or later this will come, perhaps along with a reform of the financial salvage agency.

The sum anticipated by the government is around 300 billion, the amount needed for Pallanza, and to maintain that monstrosity of a national labor agency set up by laws 684 and 784. This money will be added to the 2,156 billion GEPI received since its creation. Of this amount 1,164 have been absorbed by losses and expenses for restructuring plants. Only 321 billion remain on hand.

What has this commitment from the past accomplished? In recent years, GEPI's results show a balance sheet with both good and bad aspects. On the positive side the public finance agency can be said to have put back on the market a good 101 factories (of which 6 have gone bankrupt a second time) and to have found employment for 39,000 of the 75,000 workers entrusted to it. The latter, under these circumstances, cost the state 6.3 million per head, while 8.4 million are spent on each worker on the Wage Integration Fund.

But the problems are by no means solved. The GEPI group still has 200 plants and 36,000 persons to take care of. It has losses of around 200 billion and many situations to worry about. The list could be endless. The shipyards, for example. Although the state already owns the Financieri of Iri, a good number of shipyards, from those little ones for boats and yachts to medium-sized ones have been unloaded on GEPI. A few have been restored, but no concern is willing to go into a sector which is in economic crisis. And the hopeless cases? GEPI would like to close some (for example, the shipyard of Pietraligure) but the CIPI does not authorize their liquidation and gives orders to continue "managing it as best one can."

The situation in the clothing industry is no less difficult. There were a few mishaps, for example, the Geri Jeans, with 85 employees, which a private individual took over, tempted by the money GEPI offered, and who disappeared with the funds three months later. There were a few successes: plants like Marvin Gelber have started up again, and others have been turned over to private persons (Star Point and Mario Ventino). But others like the Sanremo, despite the fact that the employees were reduced from 4,800 to 1,600, are still too large for an individual entrepreneur. And the same is true for the ICB of Belluno which, with 630 employees is losing about one billion.

And then the GEPI-De Tomaso affair. Together, the public finance agency and the Italo-Argentine industrialist restructured the Guzzi and the Benelli (now administered by the same De Tomaso). Their cooperation continues, however, for Nuova Innocenti and Maserati no longer has any market for its minimodels and is losing 15 billion. Maserati, on the other hand, has a profit of more than one billion. The danger is that De Tomaso may vote himself everything from Maserati, leaving Nuova Innocenti as a mere supplier of spare parts for the more prestigious automobile. After having lavished 120 billion on the minimodel factory, this would be a serious setback for GEPI.

But the biggest risk comes from the new reform which the government is about to launch and from the way it will be applied. A social welfare mentality could become the rule, in the south as in the north. And large groups of plants in hopeless conditions would appeal to GEPI. After Montedison, with Pallanza, the Bastogi with the Sacfem is already on the waiting list of clients and clientele for GEPI, and it is certain to lengthen.

9772

CSO: 3528/47

CONCERN MOUNTS REGARDING ECONOMIC FEASIBILITY OF GAS PROJECT

State Monopoly's New Chairman Comments

Copenhagen AKTUEL in Danish 14 Jan 84 pp 12-13

[Article by Nina Hansen and Vagn Petersen: "The Fast Runner Who Is Fighting for Gas"]

[Text] DONG's [Danish Oil and Natural Gas Company's] new chairman, Holger Lavesen, has up to now maintained a low profile toward the public, although he is known for running fast--very fast--in order to achieve results. In this interview he discloses that DONG's biggest problem is to get the natural gas sold to industry and to think about selling gas to power plants "because we will be in a weak position versus industry if we cannot get rid of the gas."

DONG's new headquarters at Hørsholm's industrial park resembles a big private concern with the big glass doors and the distinguished lobby. Ultramodern, presentable and expensive.

An effect which is not unintentional. The State oil and natural gas company is trying to create an image for itself as an independent private business concern which is subject to precisely the same stringent profit requirements as private industry.

Yet it is no secret that the State's economic involvement in the business cannot be kept at the 1 billion kroner which has been contributed hitherto as net capital. But how many more kroner taxpayers will pour into the concern and how is still being considered by the management.

Fired DONG Chairman Jens Christensen banked strongly on the million-kroner duty from the oil pipeline in the North Sea. The money belongs to us, he said. Whereas the non-socialist government's energy minister likewise unequivocally believes that the money to the tune of about 100 million kroner belongs to the State treasury.

The successor in DONG's warm leadership chair is less categorical in this question.

"It is all the same to me how we get more money as long as we get it. But of course there must be a reasonable proportion between borrowed capital and net capital. Hitherto we have borrowed especially from abroad," Holger Lavesen says, who a month and a half ago was fetched for the chairmanship from his job as department head in the Environment Ministry.

Fast Runner

Coworkers in the DONG building do not disguise the fact that he is running fast--very fast--although he appears relaxed and unstressed as he sits in the armchair in the chairman's office.

But as he himself says, there is much to be achieved before his temporary job as chairman expires in June. Actually he himself feels that already in April he must be able to do a form of stocktaking of his contribution.

At the moment what he has most at heart is to get the public to understand that the political storms around DONG have calmed down. To have the two prominent business leaders who he already has in his sights persuaded to enter the management. And, finally, to get the sale of the gas under way.

He is in a pinch. Even he says that all the political unrest regarding the State's involvement in oil and gas production has startled many customers. But at the same time he admits that "we certainly have not been competent enough."

Legal Intervention

At the moment Holger Lavesen is banking everything on avoiding the legal intervention lying ready in the Energy Ministry. If the regional gas companies cannot agree on a common course, the politicians will force them to agreement.

The problem child is first and foremost Naturgas Syd [Natural Gas South].

Holger Lavesen has already now conducted several negotiations with the company in order to create peace in the camp. He thinks it has been successful. Before the end of this month there will be a joint agreement, "because legal intervention will further weaken the opportunities for a good gas sale."

In nine months gas will flow from the North Sea and DONG is obligated to take and pay for the gas--regardless of whether the company has had it resold.

But there will not be a question of "dumping" the gas price by means of big introductory discounts. So better let foreign countries or Danish power plants get it.

"Sales to private households are a little behind, but otherwise are going quite well, while sales to big industrial customers are going too slowly. It is there we are having the biggest problems. Up to now we have been able to write contracts with only six of the 500 to 600 possible big concerns that

there are. And we can already see that earnings on these six are unsatisfactory."

Initiative

This month DONG will come with a new initiative regarding the pricing policy which is to be in effect for industry. They are gambling on an arrangement which resembles that of the oil companies. That is, with list prices and various discounts.

[Question] This looks like an outstretched hand to Naturgas Syd.

[Answer] "Yes, Syd has certainly always had desires regarding a similar pricing policy. The decision to depart from the pricing policy hitherto was due first and foremost to the poor earnings which have been the result of the contracts we have entered into."

"Although gas sales are lethargic, we will not get problems before after October 1985, because we have already now largely speaking sold the first year's gas production."

"We are considering exporting more gas and there can perhaps also be a question of supplying gas to a power plant or two. Remember that we will be in a very weak position versus large industrial customers if they think they can just wait because we cannot get rid of the gas," he says.

Therefore, DONG is investigating how much it will cost to fire with gas instead of with coal at power plants. There is no doubt that gas is more expensive than coal. On the other hand, gas pollutes less and does not require as big investments in storage facilities.

Report

In this connection, Holger Lavesen is eagerly anticipating the "acid rain report" which the authorities are putting the finishing touches on. The report will map out the environmental consequences of coal firing. This will be the basis of his discussion with the electric power plants regarding gas-fired power plants.

"The discussion is certainly extremely topical at the moment because of the new power plant which is to be built in the capital area," he says.

If the power plants become DONG's future customers, it can become decisive for the company's economy, which at the moment is the subject of critical analysis by the new management.

The result will be available in a couple of months. The chairman acknowledges, however, that "it is a difficult job because we first after the year 2000 can finally evaluate whether this now is even a good project."

"There are so many various factors which come into play in the gas project. All guessing regarding success or a fiasco is encumbered with great uncertainty. But neither interest rates, inflation nor oil prices can shake the fact that the gas project will strengthen the certainty of our energy supply. So if we cannot get the economy to hold together we must face the fact that the community will come to pay for certainty of the energy supply."

Exploration

[Question] There has been talk about separating the gas project into an independent subsidiary company under DONG. Is this still in question?

[Answer] "The gas project ought to be separated into an independent company. No doubt about this. It is not a requirement, but I am sure that in a year or two we will get four subsidiary companies under DONG. One of them will accommodate the gas project."

[Question] Your predecessor in the chairmanship was strongly interested in DONG's actively plunging into exploration and production of oil and gas in Danish territory. Are you of the same opinion?

[Answer] "DONG has been insured in advance participation of a normal 20 percent, and if we are to join in exploration it is important that we keep the expertise we have built up. In a short time I will visit the State oil companies in both Norway and England in order to study their experiences. We will make the final decision first after this," Holger Lavesen says.

There is no doubt that it is the sale of gas which he favors.

New Leadership Considering Exports

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jan 84 p 8

[Editorial: "New Understanding"]

[Text] The State-owned oil and natural gas company, DONG, after the changes which have been made in the company's management and board of directors, is behaving more realistically toward the question of the sale of natural gas to big customers in industry. The hopeless idea of selling natural gas at secret so-called substitution prices has been forsaken. Instead an attempt is now being made to sell the gas on ordinary market terms.

Should it not be possible to sell natural gas in sufficient quantities to especially a number of big industrial firms, increased sales abroad and possibly to Danish power plants can also come into question, the new temporary chairman of the board of DONG, Department Chief Holger Lavesen, reports to the daily AKTUELT.

This is a new understanding which has come into DONG's leadership. This is true also of the assessment of the combined natural gas project. The board

chairman mentions, for instance, that it will be possible to evaluate first after the year 2000 whether it has even been a question of a good project. Of course, it is never possible in any investment project to know with certainty its profitability before the end of—or in any case within—the earnings period. However, the statement mentioned represents a radically altered assessment of natural gas's profitability in comparison with DONG's and changing energy ministers' stubborn insistence on the economically healthy aspects of the project.

When DONG's chairman then maintains that the natural gas project in any case is improving the certainty of the energy supply, it is, however, an old trotter which is being pulled out of the stable. Natural gas will improve the certainty of the energy supply mainly in areas in which this must be considered least important. At the same time in cases of supply failures which are at all of practical interest it can be feared that natural gas will indirectly be able to come to diminish the certainty of the supply in areas far more sensitive energywise.

But now it must be seen whether DONG can get its gas sold to industry, the power plants or abroad in some combination. It will be regarded as a scandal if this is not possible. If it is possible, however, it must be assumed that it will only be able to take place at prices which result in a considerable deficit in DONG. Mind you, it will be a question of a deficit which far exceeds the liquidity deficit which is natural in a company which is investing heavily with a view toward a later stream of profits.

The natural gas project is, to judge from everything, unprofitable. If the gas is to be sold on market terms it will therefore be necessary to have considerable State subsidies for DONG under one form or another. This is not the fault of the present management of DONG. But, on the other hand, it is a situation the company cannot resign from.

Minister Weighing Another State Firm

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jan 84 Sect II p 1

[Article by Dan Axél: "Proposal Regarding New State Company in Gas Sector"]

[Text] But Energy Minister Knud Enggaard (Liberal Party) will not make changes which have already been rejected by a majority in the Folketing and which will only delay accomplishment of the gas project.

A new State natural gas company should be in charge of the future operation of the natural gas project and economic management in the role of a superior should be entrusted to a joint concern management.

This is the recommendation which the auditing firm of C. Jespersen gives Energy Minister Knud Enggaard in a report on the regional natural gas companies' long-term budgets. The auditing firm believes that separation of the natural gas sector from DONG's management will increase the possibility of better and faster sales of gas.

"But such separation is not a present issue. It would, besides, have a delaying effect on accomplishment of the entire project," Energy Minister Knud Enggaard (Liberal Party) and a newly elected Folketing member tell BERLINGSKE TIDENDE. "And with regard to a common concern management, a committee has already been appointed, consisting of the directors of DONG and the five regional companies, which in reality is in charge of management of the project in the role of a superior."

Knud Enggaard refers to the fact that there as late as in December was a majority in the Folketing which rejected separating natural gas from DONG's remaining areas of work. The idea of a separate company--"Naturgas-selskabet Danmark" [Natural Gas Company Denmark]--popped up the first time shortly before the summer vacation last year but it was quickly shot down--by leading Liberal Party people who thought that the idea of a company was all too central in its development.

Energy Minister Knud Enggaard agrees with the auditing firm in the main features of four of the five remaining recommendations which have been presented. For one thing, the minister would like to participate in "tidying up" in the many committees and work groups which for the time being have been appointed in the sector. "Many of them have been beforehand of a temporary nature," Enggaard says.

Moreover, the gas is quickly nearing the capital area. Yesterday DONG finished feeding gas into one of the two pipelines under the Great Belt and as early as the first of May the first consumers on Zealand will be able to open natural gas taps. The first time around, however, it is imported gas from the Ruhr region in West Germany which will flow in the pipelines, but as early as the first of October--as planned--there will be Danish gas from the Thyra field in the North Sea in the pipes.

Report Recommends Actions to Rescue Project

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jan 84 p 6

[Editorial: "Alarming Situation"]

[Text] While those responsible have otherwise for years been busy assuring the public that the large natural gas project was healthy, functioning well and, all in all, a big advantage for the Danish community, it is now becoming harder and harder to maintain the illusion. For soon the distribution network will be ready and North Sea gas will be brought ashore. Then the gas should be sold, and if the project is profitable a profit should thereby be able to be earned which can also cover the costs of the big construction projects. This test will be, to judge from it all, difficult for the gas project to pass. Today they are obviously gambling on having the gas sold and then it must be seen later how the economy can be at all saved. However, in DONG's new leadership it is possible to find a more satisfactory understanding of these problems than in the old management and in the Energy Ministry.

Now in addition there is a report from the auditing firm of C. Jespersen on assessment of the long-term budgets for the natural gas project. The report points at what is necessary in a sales policy which can increase support for the natural gas project. In addition, it is pointed out that there is need in the project for a joint "concern management" which has responsibility for management of the natural gas project in the role of a superior. As the project is organized today, the energy minister has no certainty at all that a coordinated combined project leadership exists. There are long roads to decisions in the natural gas project, lacking coherence between the placing of economic responsibility and decision-making authority, incoherent recording and reporting systems which render difficult a running total view of the project and comparison between the various companies taking part in it, etc.

In reality the report from the C. Jespersen auditing firm is a new terrifying report regarding the natural gas situation. Altogether inexpedient and impracticable organization of the natural gas project has been demonstrated. This has also been pointed out earlier on several occasions, but largely speaking the criticism was rejected or in any case there has been a refusal to do anything serious about it.

Now the energy minister wants to await further studies from the State Auditor's Office regarding the regional companies' construction work together with a report from a special 3-man committee which is to judge the project seen from outside with "fresh eyes." The energy minister does not think that there are new things in the current report from the auditing firm, but that it confirms the considerations and initiatives already had regarding natural gas.

Now it is understood, then, that organization of the natural gas project is inexpedient and that joint leadership of the project is missing. Then it must also really be able to be expected of the Energy Ministry that rather than waiting for new study results the demonstrated absolutely alarming situation is to be straightened out.

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CSO: 3613/81

ENVIRONMENTAL CONCERNS RESULT IN DELAY OF DRILLING START

Copenhagen BERLINGSKE TIDENDE in Danish 8 Jan 84 p 10

[Article by Peter Kjelstrup]

[Text] The fear that shipping traffic could destroy the seals in Scoresby Sound has delayed a decision on where oil explorers can set up camp.

The hunt for oil in East Greenland has been delayed by at least 1 year.

The director of Nordisk Mineselskab, R. Kayser, told this to BERLINGSKE TIDENDE. As a result of local opposition to the establishment of a small supply base on Scoresby Sound, oil exploration can begin no sooner than the spring of next year.

Long ago the concession holders, Nordisk Mineselskab and the American oil company Arco presented plans to begin exploration, including the construction of the support base. According to these plans, equipment for so-called seismic studies would be shipped to a temporary camp at Konstabel Pynt on Hurry Bay this spring, because of the ice.

Now the battle over the port of shipment has brought these plans to a halt and, according to director R. Kayser, this means that all plans for exploration and the possible recovery of oil will be delayed--and it will be impossible to make up this lost time later.

The Scoresby Sound town council told the raw materials committee that sealers in the area were concerned that ships carrying equipment to the camp could destroy the seals. As a result, the committee's debate has continued so long that the project has been delayed.

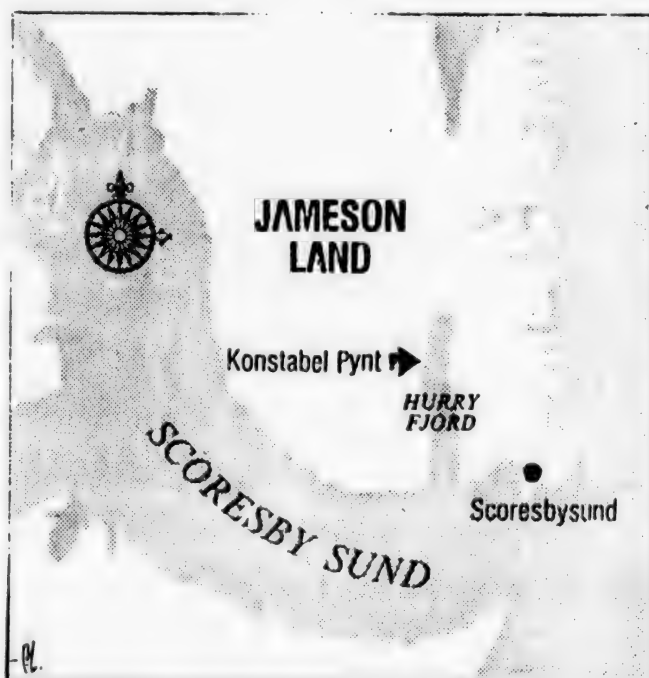
According to Nordisk Mineselskab, there is only one alternative to placing the supply base on Hurry Fjord, namely flying all the equipment into Jameson Land. According to director R. Kayser, however, that would be considerably more expensive and would mean that during the first spring alone 250 loads would have to be flown onto the ice of Jameson Land.

A possible base beside the water north of Jameson Land, on the other hand,

could not be reached by ship without the considerable danger of running into icebergs.

One of the five Danish members of the raw materials committee, Annelise Gotfredsen, who is also the Conservative Party spokesman on energy policies, told BERLINGSKE TIDENDE that a decision had to be made soon, since the oil exploration could be of great significance not only for employment and the economy in Greenland, but also for Denmark.

"For this reason we must make sure that a decision is made based on the available information, without additional studies," she told BERLINGSKE TIDENDE.



Nordisk Mineselskab planned to construct a camp at Konstabel Pynt on the Hurry Fjord. But sealers in Scoresby Sound want no shipping in the entire fjord complex. They fear that the noise of ship engines and possible cracks in the ice could destroy animal life, including the seals.

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CSO: 3613/87

ELECTRIC POWER CONSUMPTION FIGURES FOR 1983

Paris AFP-Sciences in French No 385, 5 Jan 84 p 28

[Text] Paris--Electric power consumption in France went up 2.5 percent in 1983. French domestic electric power consumption went up 2.5 percent in 1983 and rose to 268 billion kwh for that period of time, the EDF [French Electric Power Company] reported in submitting its provisional results.

EDF furthermore beat its export records and sold 13.4 billion kwh abroad, in other words, a little less than 5 percent of the total output.

High-voltage consumption, which mainly consists of industrial activities, showed a decline of 2.5 percent in view of the operation of the enrichment plant of EURODIF [European Diffusion Agency].

Thermonuclear electric power output for 1983 came to 137 billion kwh or an increase of 33 percent compared to 1983 [as published]. The nuclear share thus represents 48 percent of the entire electric power output in France, both thermoelectric and hydroelectric.

In these areas, EDF notes, conventional thermoelectric output in 1983 was on the order of 76 billion kwh, a figure considerably less than what it was in 1982 (down 18 percent). Hydroelectric output remained the same as in 1982 with 70.5 billion kwh.

The nuclear power plants in 1983 reportedly supplied 73 percent of the thermoelectric output. Consequently, the conventional thermoelectric power plants in 1983 used only 2.5 million t of fuel, cutting their consumption by one half, as compared to 1982.

Paris--5.7 percent reduction in French energy billing volume for 12 months. France's energy billing volume came to Fr169 billion during the period of 12 months ending last November, in other words, a decrease of 5.7 percent (or Fr10.2 billion) compared to the preceding 12 months, the Ministry of Industry and Research indicated in Paris on 2 January.

Primary energy (coal, petroleum products, gas, electricity, and other forms of energy) consumption also declined slightly for the period being reviewed here and came to 176.2 million TEP (tons of petroleum equivalent), down 2.1 percent.

Nationwide primary energy production rose to 68.3 million TEP, up 11.7 percent, thus making it possible to achieve an energy independence rate of 38.8 percent at the end of 1983 (up 4.8 points compared to November 1982).

Energy product imports came to Fr194.5 billion for the period of 12 months (down 4.1 percent) and exports came to 25.5 billion (up 8.5 percent).

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CSO: 3519/185

SNAMPROGETTI DEVELOPS HIGH CONTACT COAL SLURRY TECHNOLOGY

Rome STAFETTA QUOTIDIANA PETROLIFERA in Italian 3 Oct 83 p 9

[Text] SNAMPROGETTI [National Gas Pipeline Company Projects] has perfected an advanced technology for the production of a water-coal mixture that can be transported in pipelines and that can be burned without further treatment in the place of fuel oil and natural gas.

This mixture has been named HCCS (High Content Coal Slurry), and was perfected at the SNAMPROGETTI pilot plant in Fano. It is a mixture consisting of more than 70 percent coal and the balance water. It can be compared to a heavy fuel oil, can be transported long distances by pipeline or in tank cars, and can be stored in the same tanks used for crude oil. Chemical additives added to the mixture ensure its stability, eliminating the possibility that the coal will separate from the water during transportation and making it unnecessary to separate the two components before the slurry is used in the boilers.

HCCS is therefore a fuel ready for use with the conventional boilers that burn fuel oil, except for minor adaptations.

Long years of research made it possible to find a precise particle size that reduces the requirement for water and promotes an optimal composition of the mixture as well as its stability, even when changes occur in the operating conditions.

The principal characteristics of the production plant developed at Fano by SNAMPROGETTI are: maximum flexibility in the preparation of the coal granulate irrespective of its physical properties (ash content, volatile materials, moisture) and in the mixing of the chemical additives; the possibility of beginning the process of preparing the coal either in pieces (0 to 30 mm) or in powder form; and maximum flexibility in the mixing of the solid and liquid phases, and in the use of ordinary equipment already present in the industrial processes (mills, mixers, silos and so forth).

The complex is composed basically of three parts: the milling plant, the filtration and separation plant, and the HCCS mixing and extraction plant. All of the operations are controlled by means of a monitor.

The idea for preparing this new technology was born of the necessity of overcoming the difficulties that result from the customary water-coal mixtures (slurry) and from the transportation of these mixtures. The traditional 50-50 mixtures do in fact require large quantities of water and the separation of the two components at the moment of their use, with attendant problems of an ecological nature as well.

The ultimate goal of the new technology is, however, to have a fuel that is ready to be burned directly without the necessity of having to resort to any additional handling other than storage and feeding the burner. Consequently, the combustion characteristics of HCCS have a fundamental importance with respect to its use on a commercial scale. The combustion tests have been oriented toward comparisons with the performance of similar mixtures and also toward practical testing in ENEL /National Electric Power Agency/ power plants.

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